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# FINANCIAL TIMES

No. 27,002 Wednesday June 23 1976 \*\*10p

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## NEWS SUMMARY

### GENERAL

#### Bonn rebuff for Vorster

South Africa's attempt to secure its diplomatic isolation has been checked abruptly yesterday when West German Foreign Minister Hans Dietrich Genscher, sharply criticised apartheid at a three-day meeting with Dr. H. J. Vorster, the South African Prime Minister.

The West German Foreign Minister also called upon South Africa to give the next United Nations General Assembly session a vote for the independence of Namibia.

The sharp tone of the West German statement on the meeting appeared to rule out any chance for Mr. John Vorster, South African Premier, will be offered a state visit to London when he meets Chancellor Helmut Schmidt on Friday.

Meanwhile, Dr. Henry Kissinger, U.S. Secretary of State, continued extensive consultations in Paris on South Africa before leaving for talks with Mr. Vorster in Bavaria. Other South African Rhodesian news, Page 5.

#### Provos may defy court

The leadership of the Provisional IRA has indicated in Dublin that it intends to defy the Irish Government and will not appear in court to-day to answer charges of taking part in the banned April demonstration which it organised to commemorate the 1916 Easter Rising. Feature, Page 8.

#### Setback hint in pay-bed law

Addressing a Confederation of Health Service Employees conference at Brighton, Mr. David Bond, Secretary for Social Services, said that legislation to pay health workers in the public sector might fall in this Parliamentary session unless something was done to speed it up.

#### Mixed response to water plea

Twenty-five drought orders are in force in England and Wales, Mr. Denis Howell, Environment Minister of State, told the Commons. In the South-West appeals to save water have resulted in about 20 per cent. less consumption, but water rationing may have to be introduced in East Anglia where less economy is being observed. BBC Radio 3 begins a comprehensive weather forecast service on July 5. Page 7.

#### Entente Cordiale

Mr. Bond said that the French leader's visit to the Queen's Palace banquet to mark the beginning of the French leader's busy state visit. Back Page.

#### Rabies toll

A Swedish yachtman was jailed for 120 days at Woolwich after being unable to pay £900 fines for breaking the rabies law. At Newcastle upon Tyne an Italian holidaymaker was fined £400 for smuggling a dog into Britain.

#### Dishonesty grows

People are becoming more dishonest and criminals more violent, Sir James Haughton, Chief Inspector of Constabulary for England and Wales, reports. Page 7.

#### Test drawn

The West Indies were 241-6 when the second Test ended in a draw at Lords.

#### Briefly...

Wimbledon tennis officials have been given an ultimatum by women tennis stars: "Give us the same prize money as the men, or we won't come next year." Tennis, Page 25.

### BUSINESS

#### Equities up 1.6 to 384.8; gilts firm

● EQUITIES tended to edge higher but trading was again very thin. The FT 30-Share Index rose 1.6 to 384.8.

● GILTS attracted a little more interest than lately, mainly for short-dated issues. The Government Securities Index rose 0.20 to 62.78.

● TIN prices rose to record levels on the London Metal Exchange. Cash tin jumped

578.5 to \$4,467.5 a tonne and three months metal was up \$78.5 to \$4,407.5. Page 27.

● STERLING slipped 15 points to \$1.725 in fairly quiet trading. The pound's trade-weighted depreciation widened to 39.1 (39.0) per cent.; dollar's widened to 1.69 (1.64) per cent.

● GOLD fell 50 cents to \$125.375.

● WALL STREET fell 9.6 to 997.63 on profit-taking and concern about inflation.

#### Dispute dashes Leyland's hopes

● LEYLAND'S hopes of reaching a target production of 22,000 cars a week by the holidays in a month have been shattered by a pay dispute, at Rothery Owen factories. Back Page.

● ENERGY PLANNING is likely to be pre-occupied with the new organisation with representatives of Government, fuel industries, unions and consumers. Mr. Anthony Wedgwood Benn, Energy Secretary, hinted at this at the U.K.'s first national energy conference. Back Page. Conference reports Page 13.

● WILLIAMS AND GLYNN'S Bank will maintain until the middle of next year its policy of free banking for personal customers who keep their accounts in credit. Page 7.

● SCANDINAVIAN GLASS interests of St. Gobain and Granges are to be merged in a defensive move against Pilkington Brothers, whose new float glass plant in Sweden is to come on stream next month. Page 24.

#### COMPANIES

● PLESSEY more than doubled its share of export orders to over £100m. in the year to March 31 and received further overseas orders totalling £35m. in the past three months. Pre-tax profit last year was £24.7m. (£39.86m.) on sales of £490m. (£429m.). Page 30 and Lex.

● ALLIED BREWERIES made lower pre-tax profit of £27.9m. (£33.1m.) for the 32 weeks to May 8, as a result of the Birmingham stoppage and its effect on trade. Page 18 and Lex.

● IMPERIAL CONTINENTAL GAS Association increased pre-tax profit to a record £14.78m. (£11m.) in the year to March 31. Page 22 and Lex.

● GUINNESS MAHON is to have as its executive deputy chairman Mr. Jean-Pierre Frayssé, hitherto a director of Lloyds Bank International. Men and Matters, Page 16.

## Change domestic economic policies U.S. warns Britain

BY REGINALD DALE, PARIS, June 22

The U.S. publicly warned Britain to-day that the Government will have to change domestic economic policies if international confidence in the country is to be restored.

The warning was accompanied by a blunt statement from Mr. Gerald Parsky, assistant Secretary of the Treasury, that Ministers could not just say that the market had got the exchange rate wrong and decline to focus on the underlying economic problems.

Mr. Parsky's remarks to journalists at the two-day Ministerial meeting here of the Organisation for Economic Co-operation and Development were the toughest so far made in public by a senior American official. They followed repeated private intimations from Washington that Britain faces positively its last chance to put its house in order after arrangements of the emergency \$5.3bn. standby credits in sterling.

If Britain borrowed money from the International Monetary Fund to repay the credit in six months time the Government would have to accept rigid conditions, Mr. Parsky said. He would not spell out openly what the Government should do, but broadly hinted that the most urgent priority must be to reduce public sector deficit.

Mr. William Simon, Secretary of the Treasury, made much the same point: "In the effort to avoid or postpone exchange rate changes, countries may look for credits from abroad to help finance their deficits and pursue a policy of intervention to support their currencies artificially in exchange markets," he said in a written statement.

But he added: "Lenders will become increasingly reluctant to finance expanding current

account deficits unless borrowing nations make fundamental changes in their domestic economic policies."

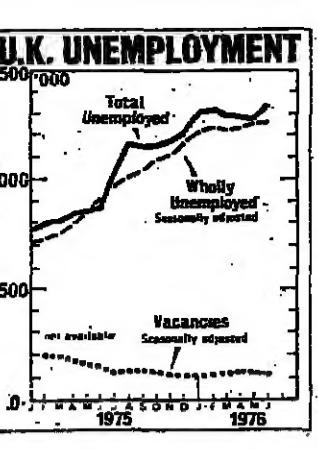
Mr. Denis Healey, Chancellor of the Exchequer, repeated that the U.K. had not drawn any credits but he expected that some drawings would be made. The question was how far Britain would decide to run down its reserves before drawing.

Mr. Healey added that it was not definite that the Government would go to the IMF, although it had said it would if it could not repay the money from other sources. The need for an IMF drawing would depend on how much of the credit was used and "what happens to our economy and our reserves in the meantime."

### Unemployment

The Government certainly intended to manage the economy to avoid a resurgence of inflation during the upturn and would take decisions long before December, when standby credit fell due, Mr. Healey said. He repeated that it might be necessary to adjust Government spending downwards next year, but added, in reply to Mr. Parsky: "I do not think strictures from foreign sources are ever useful."

The Chancellor criticised the OECD secretariat's projection of a 5.5 per cent. growth rate for the 24 member countries between now and the end of the decade. This would only halve unemployment of 7 to 7.5 per cent. would be required to eliminate it, he said.



## Jobless increase slows further

By Peter Riddell, Economics Correspondent

THE RATE of increase in unemployment has slowed down further over the last month, suggesting that the labour market is at or near its low point.

The appearance of large numbers of school-leavers on the register, however, has increased the unadjusted total to the highest figure since the war.

Adult unemployment (excluding school-leavers) in the U.K., seasonally adjusted, rose by 6,500 in the month to mid-June to 1,200,000—3.4 per cent. of all employees.

The underlying trend, which has been shown by the three-monthly average, is that unemployment is now rising by 9,000 a month. Although this is slightly higher than the seasonally adjusted average for the April and May periods, it compares with increases of 40,000 or more a month during the winter.

The trend in unfilled vacancies is clear since, on a similar average three-monthly basis, there is now a decline of 3,000 a month following a drop of 6,500 in June.

These figures have been affected by the Temporary Employment Subsidy and the job creation programme and so may be less of a lead indicator than in previous cycles.

While the Government's measures appear to be reducing the rate of increase in unemployment at present, the official view is that the seasonally adjusted total is following the normal pattern of lagging nine months to a year behind the upturn in output and so should be near its peak.

It is now recognised that the March and April figures, which were regarded as freshly good in most of Whitehall, were not an indicator of a new trend and that the total is up.

Continued on Back Page

## CALLAGHAN: COMMONS PEACE BID

## New vote on shipbuilding next week

BY RICHARD EVANS, LOBBY EDITOR

THE CONFLICT between Government and Opposition, which has seriously disrupted Parliamentary business, was almost settled yesterday, leaving the way open for Ministers to reintroduce the Bill nationalising the major parts of the aircraft and shipbuilding industries.

Mr. James Callaghan, Prime Minister, who has been increasingly anxious to return to normal relations with the Opposition, conceded that the Government had been at some fault in the Commons decision on May 27 when the shipbuilding Bill was saved by a disputed Government majority of one. The issue will be put to the vote again next week.

Conservative leaders claimed that the Government climb-down was a complete vindication of their decision to stop all operations, including partying, until the vote on the shipbuilding Bill was taken again.

The issue at stake on May 27, and again next week, is whether the Aircraft and Shipbuilding Industries Bill should be declared hybrid and sent to a special select committee, where affected interests could petition to be excluded from its provisions. This would mean that the legislation could not reach the Statute Book this session.

Although the Conservatives were well satisfied last night, the Opposition appears to have negotiated a reasonable bargain. If, as seems probable, the vote is narrowly next week the way stage and third reading in the Commons before proceeding to the Lords.

An attempt will be made by the Conservatives to have Commons rules amended before the vote so that in the event of a tie the Speaker would vote with the Opposition and not with the Government.

This would have happened in the second vote on May 17 had there been a tie. In the event there was a Government majority of one after a Labour Whip, Mr. Tom Fotherby, voted even though the Opposition claimed he was paid.

If the Government wins the division next week the nationalisation Bill will start its report stage and third reading in the Commons before proceeding to the Lords.

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## Early Government unlikely after Italian election

BY DOMINICK J. COYLE

THE PROSPECTS for the early formation of a new Italian Government look distinctly slim to-night, following a General Election over the week-end which was given a strident warning by the Communist Party while still keeping it in second place behind the long-ruling Christian Democrats.

Final results available to-day for both houses of Parliament give the Christian Democrats 55.9 per cent. of the popular vote in the Senate, a lead of some 5 per cent. over the Communists, but this gap reduced to 4.3 per cent. in the more representative Chamber of Deputies, where the Communists have increased their representation by 4 to secure a total of 257 seats, only 38 fewer than for the Christian Democrats.

While the Christian Democrats have recovered, against most expectations here, the ground which has been lost by the two main political parties has come out with anything approximating an overall Parliamentary majority. For the Christian Democrats at least the attitude of the Socialists, Italy's third largest party could now be crucial.

The Christian Democrats are anxious to put together another Centre-Left administration, and indeed a simple coalition arrangement with the Socialists would add up to the requisite working majority, although by no means a comfortable one. It could, however, be augmented with support from some of the smaller left parties although they as a whole suffered badly in this election.

The Communists, whose Central Directorate is meeting here to-morrow to consider the election results, are still insisting publicly on the formation of another Centre-Left administration or a single party Christian Democrat Government with the support of some of the smaller parties — and perhaps even the abstention of the Communists — for a limited period and covering a specific legislative programme.

This latter course could, according to some political observers here to-night, result in effect in a continuation in office of the present caretaker Government of Prime Minister Sig. Aldo Moro, which might be asked by President Leone to remain temporarily in Government when the new Parliament has met on July 5.

One possibility which could conceivably break the present effective stalemate may come some time after to-morrow's meeting of the Communist Directorate. The Communists already appreciate, although do not publicly accept, that a somewhat reinforced Communist Party will not easily consider joining an emergency Government, but it is just possible that private negotiations between the Communists and the Christian Democrats might yet produce a measure of agreement on emergency legislative proposals aimed specifically at tackling Italy's undeniably pressing economic and social problems.

Editorial comment, Page 16  
Politics, but with a difference, Page 17  
Other reaction Page 6

### HOW THEY VOTED

% of votes cast for Chamber of Deputies

	1972	1976
Chr. Democrats	38.7	38.7
Communists	27.1	34.4
Socialists	9.6	9.6
MSI (neo-fascists)	8.7	6.1
Social Democrats	5.1	3.4
Republicans	2.8	3.1
Liberals	3.9	1.3
Dem. Pros.	—	1.5
Radicals	—	1.1

what amounts to an emergency national government, but this has already been rejected during the election campaign by the Christian Democrats. Opposition to it is, if anything, even stronger now within that party now that they have surprised most forecasters by recovering all the ground lost since the 1972 General Election.

With a Centre-Right Government ruled out both by the realities of present-day Italian politics and by the actual election returns this time, the immediate alternatives for Italy would appear to be a choice

## Hambro Life float may test new issue market in July

BY MARGARET REID

HAMBRO LIFE Assurance, the private insurance company controlled by Hambros, the banking group, and run by Mr. Mark Weinberg, may well be publicly floated on the stock market before the end of July with a value between £40m. and £50m.

The operation, which has been in preparation for some time, will be one of the first big tests of the new issue market after a prolonged lull. The launch may not be far separated from another big flotation expected in July, that of the family-owned meat group Thomas Borthwick.

Expectations about an early offer of shares in Hambro Life to the public rose last night when it was disclosed that the company had made considerably increased net profits of £3m. in the year to March 31, 1976, compared with £2.0m. in 1974-75. Mr. Weinberg, who is

managing director of Hambro Life, said: "We are working towards the second half of July as a possible date for the flotation." Final decisions will depend on completion of the necessary preparatory work and on market conditions.

The offer of shares in the company is to be handled by Hambros Bank. The Hambros group holds some 55 per cent. of the capital of Hambro Life, which was formed in 1971, specialises in selling unit-linked life insurance policies, and is one of the fastest growing British life companies.

Mr. Weinberg and his family have some 10 per cent. of the shares in the company.

Figures which yesterday announced net profits of £5.2m. in 1975-76, before extraordinary

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## LOMBARD

## End of road for 'nods and winks'

BY C. GORDON TETHER

MORE LIGHT is gradually being thrown on the processes that recently produced a largely unjustified drop of almost a sixth in the international value of the £ within the space of a couple of months—and thereby superimposed, at a stroke, a host of new difficulties on a British economic situation that was already under considerable strain.

Officialdom will clearly have to be a great deal more forthcoming before it becomes possible to draw all the appropriate moral from this tragic story. But the Bank of England's disclosure in its latest quarterly bulletin of how it set the whole miserable business in motion has shown one thing—how necessary it is for the authorities to put in some new thinking about the so-called 'nods and winks' technique for influencing the behaviour of the exchange rate.

It will be recalled that sterling was doing quite nicely during the first two months of this year. More particularly, it remained entirely 'uncontaminated' by the acute weakness that the French franc and the Italian lira were both manifesting at the time. Since it could well have been argued that, to keep British export prices competitive, the £ would have to share in some measure at least—in any cut in value they sustained, this immunity was most eagerly sought. For it suggested that the rest of the world was coming round to view that, with our wages-prices spiral yielding to treatment and North Sea oil starting to flow in volume, the rehabilitation of the £ was getting under way at last.

## The skids

Unhappily, this bright promise was shattered with devastating consequences, when the Bank of England perpetrated a major tactical blunder in its open market operations at the beginning of March. Having evidently decided that it did not want to see the £ appreciating much beyond the £2.00 level, it entered the market as a seller when the demand for sterling displayed a continuing tendency to build up. As the dollar happened to be strengthening at the time, this intervention was—as the Bank itself has now explained—'misinterpreted' by the market.

Indeed it was—and hardly surprising. Thus it was seen as clear testimony that the British authorities had made a major policy switch involving a deliberate move to establish the £ at a materially lower level. The

story was promptly picked up by the foreign Press and thereafter echoed by the international financial newsletters. In no time at all, the skids had been put under the £ to such effect that, within a week or so, it had suffered a devaluation of 5 per cent.

And that, as we now know, was not to be the end of the matter. Whatever their feelings about its true value, overseas holders of sterling were obviously not going to quarrel with what was being portrayed as a British official judgment that it needed to be reduced. Consequently, as the Bank goes on to admit, after the initial movement it had been instrumental in setting in motion early in March and became established, the market was largely one-way.

All that intervention by the British authorities was a matter of sterling to test the market and to ensure that movements in the rate did not over-represent the volume of business' did was to bring out 'considerable weight of selling'. Holders of sterling were evidently no longer open to persuasion. Many had evidently concluded that the £ had been allowed to drift into a slide which would take it beyond the point of no return and that the only way to get out of it was to sell. The result was a further slide, and the slide was self-reinforcing.

Thanks to the \$50m. foreign aid package, the outside world is now feeling less worried about sterling. But the depreciation it has suffered is unlikely to be reversed. One does not see the foreign money that has been frightened away being easily induced to come back. And, to the extent that it is, the British authorities will presumably want to exploit the resultant demand for £s primarily for helping them to rebuild the reserves.

In other words, here is a serious mistake that cannot be afterwards corrected. And one does not have to dwell long on the tremendous cost of it to the country to perceive the importance of ensuring that our exchange rate management system can never again act as the mainspring of such disasters.

If a largely unwarranted fall of 15 per cent in the £ is a possible by-product of the Bank of England's 'a nod and a wink' to a blind horse, the method of giving signals to the market, it is obviously high time this procedure was scrapped. It is arguable that the Bank should retain some 'freedom to condition' the market. But we should now be able to see that in broad terms, the 'open government' principle is just as strong here as it is elsewhere.

## RACING

## Follow Hide at Ripon

A YEAR ago, Captain Ryan out of Angel Beam ran with great promise when fourth to Cheyenne Queen at Newbury recently. She is capable of a good deal of improvement.

Another who appeals as a sound proposition on this mammoth ten-race programme is the well-handicapped *Deep River*, in the *Weyhill* Stakes. A four-year-old, he has not shown his best form recently, but is sufficiently well-treated to merit each-way support.

At Ripon's evening meeting, it could be a surprise to see *Edward Hyde*. The North's leading jockey has collected several likely-looking mounts and I shall add to his tally here by taking *Division 2* of the *Weyhill* Stakes.

The beautifully-bred *Maple Strap*, a chestnut filly by the 1966 Derby winner *Charlton* out of *Sweet Solera*, the winner of the 1000 Guinees and Oaks in 1961, may provide the chief threat to the selection.

Peter Walwyn, who is not represented in the *Bibury* Cup, frequently does well on this track. I am hopeful that *Angels* will add to his tally here by taking *Division 2* of the *Weyhill* Stakes.

## SALEROOM

## Byron poem's record £50,000

LORD BYRON'S original manuscript of his poem, *Beppo*, which he sent from Italy to his publisher John Murray in January, 1818, was sold at Sotheby's yesterday for £50,000 (plus the 10 per cent. buyer's premium).

This is believed to be the highest price ever paid at auction for a manuscript later than 1500.

The buyer was the London dealer Quaritch, bidding on behalf of a private collector, and the price was up to Sotheby's most sanguine expectations.

The manuscript did well because it is probably the most important unpublished work by Byron to come on to the market in many years and it offers some intriguing variations on the version published by Murray. Byron expected his publisher to make a faithful reproduction but Murray made around a thousand, admittedly minor, amendments.

The manuscript was later given by Murray to Byron's daughter, Ada Augusta, Countess of Lovelace. It was the centrepiece of yesterday's sale which was perhaps the best auction of letters, manuscripts and historical documents held in London for some time, totalling

£177,828, with a bought-in percentage of only 2.4.

The second highest price was the £10,000 paid by an anonymous buyer for part of Thomas Telford for £5,000, and Napoleon's only venture into fiction, an autobiographical love story, entitled *Clisson et Eugénie*. Napoleon wrote it when he was 25 and it tells of a young officer, crossed in love, who dies gloriously in battle.

The price was at the bottom of the pre-sale forecast.

Another Napoleon original, a letter offering his resignation as Commander of the Army in Italy, went to the same bidder for £3,200.

Other good prices, in a very solid auction, were £7,500 for over 650 unpublished letters between Florence Nightingale and her nephew and niece, £7,000 for 42 of the original drawings by Phiz to illustrate Dickens' *Little Dorrit*; and £6,000 for Charles Lamb's original manuscript of his *Elia* essay *The Friends of Chaucer*. Another *Elia* essay failed to sell.

Hoffman and Freeman, the dealers, gave £5,800 for a rare manuscript by Swift, *Stella*, with additions by Swift himself. It was sent for sale by the Harmsworth family.

## BY DOMINIC WIGAN

Two who could score for the 39-year-old Malton-based jockey are the previously disappointing *Firby* and *Sweet Lad*. The first from this pair to run is the *Black Easter*-trained *Firby*, among the runners for the *Dishforth* Selling Stakes.

Although he has shown little in four runs to date, this well-made colt is reported to have been going well at home in recent weeks. I give him one more chance to show that his previous form is best forgotten.

*Sweet Lad*, retained by his trainer for 6,000 guineas at Newmarket's April sales after running the smart *Kufu* Park to 23 lengths in the valuable Arena Sports Advertising Stakes at Aintree early in the spring, looks a cut above the rivals he meets in the *Baldersby* Stakes.

With *Baldersby* Homes, Fettered and *Rial* all having been taken out at the final declaration stage, few will oppose the once-raced *Moaning Lou* in the *Melmerby* Maiden Stakes.

This half-sister to four winners, including *Potter Belle* (the only stallion to achieve two Royal Ascot successes this year) ran with notable promise when third on her debut at Yarmouth recently. She appeals as a safe proposition.

## SALEROOM

## Byron poem's record £50,000

The National Library of Scotland and the Iron Bridge Trust

Museum together acquired over 1,000 papers of civil engineer Thomas Telford for £5,000, and the same price secured a manuscript of the assignment of 13m. acres of land by Sir Humphrey Gilbert in 1582 to raise money for another, and fatal, voyage of exploration.

Meanwhile, Christie's sold the second part of a collection of European white glass. The first part sold for £48,277, and yesterday a further £24,327 was added. A set of six small Bohemian barrel-shaped mugs painted with figures almost doubled their forecast at £600 to £1,200.

Bonham's held its most successful auction of silver which totalled £32,498, with Lumley paying £4,900, double the forecast, for a Charles I. lidded tankard of 1628. A pair of George III. candlesticks, Paul de Launay's *Le Diable*, £2,200. The Robson Lowe auction of Far Eastern stamps brought in £25,000, as against the £14,600 estimate, with fierce competition for stamps from Communist China.

## BY ANTONY THORNCROFT

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## GARDENS TO-DAY

## A rose by any other name...

BY ROBIN LANE FOX

THERE ARE SIGNS that my new lawn will emerge at last from well-known class is so often magnificent at Sissinghurst; the rain has made a lily to black spot and mildew. In Kent, but which is not surprisingly deep mark on the and refuses to flower more than very tidy or always very healthy flower-beds; a superb crop of once in the year. This year, I in lesser gardens.

Sweet Williams has now ended and myself noticing the less and must be resown at once, as familiar relations of old-fashioned roses are already almost past, of the most experienced Frenchman who has one forgotten but who must surely have been simple and beautiful. Mlle. Lauriol must I think, grown over a frame of four lengths of wooden batten arranged as an upright elbow and laced with other wood on to which Madame's long stem can be tied. So she is a specimen rose for the wife who would otherwise plant a standard tree.

Her flowers are so heavy, they often hang their heads in resistance to mildew is low, a second crop of flowers is abundant. But her seedlings of a catalogue offers *White Dot* or *Belle of Teheran*, a city which it has no link, as if they were happier alternatives.

Little White Pet flowers from July until mid-autumn, beginning later than most roses, which is convenient, and continuing as long as any variety except for the China or 'monthly' roses, even better. Perhaps its awful name has been against it, and one of my catalogues offers *White Dot* or *Belle of Teheran*, a city which it has no link, as if they were happier alternatives.

Little White Pet flowers from July until mid-autumn, beginning later than most roses, which is convenient, and continuing as long as any variety except for the China or 'monthly' roses, even better. Perhaps its awful name has been against it, and one of my catalogues offers *White Dot* or *Belle of Teheran*, a city which it has no link, as if they were happier alternatives.

## Keep mowing

Returning to the lawn, I am tantalized by the grass at Ascot and Lord's cricket ground, and wish that I too could have risen above the drought. The advice, *Perpetua*, a magnificent rose which commemorates two memories of my father, is a fine old rose, never troubled him or his girl, *Perpetua*, a well-known young playing-field; grass is always cut by her parents, and with a certain brusqueness, hence it turns brown. That the garden this lovely white rose excites my orchard, I was think it is equally unstoppable and can, as he went on to remark that he grow up a tree.

It should never be allowed to grow too long, either. And his garden, which I have said to have, by mowing it four times a week, passed over to her Christian perseverance. Lightly, of course, a routine attendants and which never kept the grounds of Eton College green through the years as we know. Little White Pet has the sickly past and still believe hot summers of 1947. They had also been neglected. I think it not invented the lawn-mower, is a very useful rose indeed.

Which rose, though, is the *Kathleen Harrop* and will grow too long, either. And his garden, which I have said to have, by mowing it four times a week, passed over to her Christian perseverance. Lightly, of course, a routine attendants and which never kept the grounds of Eton College green through the years as we know. Little White Pet has the sickly past and still believe hot summers of 1947. They had also been neglected. I think it not invented the lawn-mower, is a very useful rose indeed.

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## NUCLEAR POWER AND THE PUBLIC INTEREST—THE IMPLICATIONS FOR BUSINESS

8 & 9 July 1976 — Royal Lancaster Hotel, London  
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## TV/Radio

\* Indicates programme in black and white.

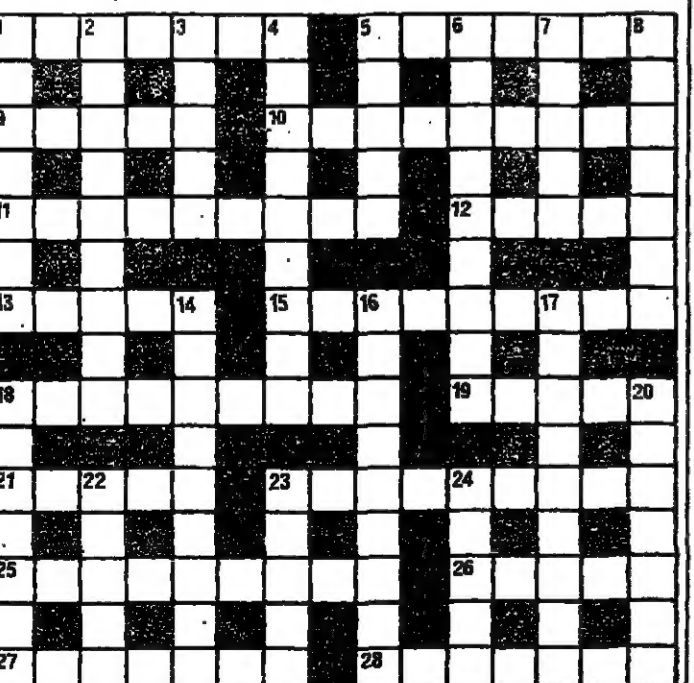
## BBC 1

7.05 a.m. Open University (UHF only). 9.30 For Schools. Colleges. 10.45 You and Me. 11.00 For Schools. Colleges. 12.22 p.m. Cricket: Benson and Hedges Cup (semi-finals). 1.15 News. 1.50 Mary, Mungo and Midge. 1.45 Wimbledon and Cricket. 4.32

Regional News (except London). 4.25 Play School. 4.50 Star Turn. 4.55 The Chances. 5.40 The Wombles.

5.45 News. 6.00 Nationwide (London only). 6.15 Wimbledon and Boxing: Sportsnight Special. 7.25 The Osmonds. 7.40 The Muppet Show. 8.00 News. 9.25 Explorers.

## F.T. CROSSWORD PUZZLE No. 3,112



## ACROSS

- 1 One animal in two represents Britain (7)
- 3 Body's frame to which Charles bears little relation (7)
- 9 It used to be 25p to go to the Queen's Head (5)
- 10 Estate charge easily understood (3, 6)
- 11 Seeing very well how to make the old boy domestic (7)
- 12 Time The National Trust had a Bailiff (5)
- 13 Tin-opener sees to every show (5)
- 15 Start to spout with one drink inside (9)
- 18 Inflamed individual confined to quarters took action (9)
- 19 Wind round with enthusiasm (5)
- 21 Material suiting the clergy (5)
- 22 Bird directors plank down in marsh (4, 5)
- 23 Beneficiary from a willing source (9)
- 26 Accountant and Pole willing to go to law (5)
- 27 Bardic meeting makes bush divine (7)
- 28 Scotsman took King George the Spanish dog (7)

## DOWN

- 2 Scratch or slipped disc (4, 3)
- 4 Rush to appear well dressed (4, 5)
- 6 Fellow has alternative benefactor (5)
- 8 Make every effort to leave apartment abroad (2, 4, 3)
- 5 Split hundred remaining (5)
- 6 Putting line up to Northern Ireland wedding (9)
- 7 Composer lost right to meal (5)
- 8 Unusual respect given to staff at Palace (7)
- 14 Position of dignity for those with vaulting ambition (4, 5)
- 16 Lack of propriety during month over nothing peculiar (9)
- 17 Non-voter is a born speller (9)
- 18 Leading airman over sovereign deficit (7)
- 20 Make Ron did wrong number (7)
- 22 To upset female is not the same (5)
- 24 Old-fashioned daughter had a meal then died (5)
- 24 What could be rasher for graduate to study? (5)

## Solution to Puzzle No. 3,111

CHANGING SOFT SPOT  
H O P P Y R E I  
A P O R T I M E O R A T E  
R O S C R M U N D  
E R E U N D I A B O U T  
A Q U I D S H A K E D O W N  
G N E T W A S I  
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## RADIO 1

247m (5) Stereophonic broadcast. 4.00 a.m. As Radio 2. 7.00 Noel Edmonds. 8.00 Top of the Pops. 12.00 Johnnie Walker including 12.30 p.m. Newsbeat. 2.00 Pat Kenny. 2.30 David Hamilton. 3.00 (also on VHF). 4.30 It's a Party. 5.00 News. 5.15 (also on VHF). 5.30 (also on VHF). 5.45 (also on VHF). 6.00 (also on VHF). 6.15 (also on VHF). 6.30 (also on VHF). 6.45 (also on VHF). 7.00 (also on VHF). 7.15 (also on VHF). 7.30 (also on VHF). 7.45 (also on VHF). 8.00 (also on VHF). 8.15 (also on VHF). 8.30 (also on VHF). 8.45 (also on VHF). 9.00 (also on VHF). 9.15 (also on VHF). 9.30 (also on VHF). 9.45 (also on VHF). 10.00 (also on VHF). 10.15 (also on VHF). 10.30 (also on VHF). 10.45 (also on VHF). 11.00 (also on VHF). 11.15 (also on VHF). 11.30 (also on VHF). 11.45 (also on VHF). 12.00 (also on VHF). 12.15 (also on VHF). 12.30 (also on VHF). 12.45 (also on VHF). 1.00 (also on VHF). 1.15 (also on VHF). 1.30 (also on VHF). 1.45 (also on VHF). 2.00 (also on VHF). 2.15 (also on VHF). 2.30 (also on 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## Aldeburgh Festival

## The last week-end

by GILLIAN WIDDICOMBE

Aldeburgh closed last week-end around the inevitable festival of the Rostropovichs. Sunday's Snape concert was splendid. The English Chamber Orchestra played Chalkovsky's *Les Femmes d'Alger* with uncommonly deep-bowed, dark brown string tone, and Rostropovich conducted his legs askew, like a drawing of an over-mountained man, his arms sweeping the musical line, occasionally leaving ensemble to the ECO's discretion. The interpretation was extreme: the opening movement had tense, full-throated, the elegiac melody, and the whole work so carefully phrased that one could hear in the ECO's concerted playing Rostropovich's own legato vocal quality.

Then Shostakovich's 14th symphony returned to the place of a British premiere—again with Rostropovich, her voice in a state of extreme tension, full-throated, the elegiac melody, and the whole work so carefully phrased that one could hear in the ECO's concerted playing Rostropovich's own legato vocal quality.

Heartiness was provided in the evening by the whimsical, almost comical, of Ronald Firbank were interspersed with musical items by Lord Berners. Patrick Garland presented this last: pensive soulful with his usual amiability, and some which reading by Nicolaus and Anton Rodgers. Heard Bedford and Stephen King, ratted the piano duets, and Peter Pears, a couple of delightful vocalists.

It was brave of Aldeburgh to persevere with the *Play of Daniel*, following David Munrow's tragic death a month before. Munrow had not completed his realisation for the early music consort (which has now been permanently disbanded); so the Clerks of

## Television

## Making use of the time

by CHRIS DUNKLEY

A Welsh cottage which lacks from that which we would once have acquired from books and in other ways. Awaiting my return was the text of a speech given by Brian Young, director-general of the Independent Broadcasting Authority, at the Inter-Naves Conference, held in connection with the Caxton Exhibition at Olympia, marking the 500th anniversary of the opening of Caxton's press in Westminster. Flatteringly Mr. Young took as a "text" an extract from this column, describing the meeting between a group of academics and the makers of Thames Television's *World at War* series and emphasising "the total inability of a literature-based academic culture to come to terms with a 'new' medium."

It has continually struck us that there is no element in modern life that is more lamentable than the fact that the modern man has to seek all artistic existence in a sedentary state. If he wishes to float in a fairytale, he reads a book; if he wishes to dash into the thick of battle, he reads a book; if he wishes to soar into heaven, he reads a book; if he wishes to slide down the banisters, he reads a book.

Although Chesterton wrote that 75 years ago, the gist of it is true today—so far as the Welsh cottage is concerned. Which is, of course, one of the main reasons for holidaying there. Outside such rare and

screen-film or television.

On the other hand no book could ever convey even an approximation of the experience of simultaneously seeing and hearing Kyung-Wa Chung playing Bruch's Violin Concerto during the first of a new series of André Previn's Music Night (BBC1). The sympathy, the

alliance, between notes or phrases and facial expressions was of a variety and a quality which no printed list of metaphors or similes could ever convey. Moreover even attendance at a live concert would not provide a precisely similar experience because the human eye cannot zoom into close-up.

None of the writers from Mickey Spillane to Ernest Hemingway who have spent so much time and so many words describing fast fights could ever have communicated the feeling of watching the black baller dancer Milford Kemp winning his bout in the Britain/U.S. match on BBC1: the sound of the crowd's displeasure, Harry Carpenter's disgust, and the bizarre sight of a boxer in third position all contributed to a cumulative experience which is only possible to hint at in print.

The Undersea World of Jacques Cousteau (BBC1) for all its gratuitous dwelling on the luxurious trappings of the Cousteau operation, still provides one or two moments of startling beauty or drama (however short) in each episode. Last week it was underwater shots of birds diving into and swimming under the sea for fish; and a brief sequence showing a weakly baby Brown Booby failing to win food from its parents in competition with a strong sibling; natural selection in action right there at the end of your settee, in an amalgam of pictures and sound which—again—no book could contrive.

Most vivid of all, and quite impossible for any book even to attempt, was BBC's Sunday repeat of *A Thousand Instruments* into which Simon Preston compressed a guide to the Festival Hall organ and to the whole history of organ music. Showing the powerful sound of a chord produced with a light touch on a manual, and then raising his hands to crash down on the same chord (producing of course exactly the same sound) Preston provided an incomparable object lesson.

No paperback could give that lesson. On the other hand you cannot stuff a television in your pocket when going to wait for a train. The quality of entertainment and information supplied by the two media are often quite different.

What is really needed by the more sedentary among us is a pedal-driven television so that we can only watch Wimbledon while keeping fit....



Frank Lazarus and Sylvia Byrne in 'The Erik Satie Show', which opened last night at the Greenwood Theatre

## Covent Garden

## Un ballo in maschera

The new series of performances of Verdi's *Ballo in maschera* in the Schenck-Rose production (rehearsed by Michael Reardon, conducted by Edward Downes with a big-name cast) opened on Monday.

The cluster of stars includes, as King Gustavus of Sweden, the much-acclaimed Luciano Pavarotti. Some well-wisher in the wardrobe should be encouraged either to lengthen or shorten his costume, which at present makes him resemble nothing so much as a composition of two of the English monarchs—Henry VIII and Edward VII.

Though he has one of the most notable tenor voices now before the public, Mr. Pavarotti is not quite the actor to rise above such a disadvantage. His staging is a different matter. One can concede the effectiveness and efficiency with which the voice is used while finding the result, from an artistic point of view, sublimely uninteresting. Only once on Monday did efficiency turn to something more exciting. The love duet took fire, and the fact should be gratefully acknowledged even if the first to ignite it was Martina Arroyo, whose little monkey of an Oscar pre-emptively phrased throughout the evening. Miss Arroyo's tone does not flow quite so freely and

## The Entertainment Guide is on Page 23

Patricia Payne asked indulgence for a virus infection, but her Ulrica hardly needed it—she is a powerful contralto with a powerful stage presence in a role where complete success eludes many a more seasoned performer.

The two conspirators, Ribbing and Horn, were forcefully sung by Gwynne Howell and Joseph Anding the result, from an artistic point of view, sublimely uninteresting. Only once on Monday did efficiency turn to something more exciting. The love duet took fire, and the fact should be gratefully acknowledged even if the first to ignite it was Martina Arroyo, whose little monkey of an Oscar pre-emptively phrased throughout the evening. Miss Arroyo's tone does not flow quite so freely and

RONALD CRICHTON

## Palladium

## Bing Crosby

At 7.30 on Monday Bing Crosby strolled on the stage of the Palladium and casually asked himself into a song. Three hours later he was still there and still singing. It was a marvellous experience in old-fashioned party where everyone is full of well-being, and applauds 16-year-old Harry's guitar solo, because they are there, trying.

But after the show of family togetherness Bing Crosby does his stint with the Joe Bushkin quartet, charming his way through over 30 of the songs that have made his 50-year career in show business the most remarkable in the profession. From "Blue Skies" through to "Them There Eyes" romantic ballads, up-tempo finger snap-pers, Irish maudlins, and cowboy songs, they are everybody's favourite tunes, and at the end everybody rose in appreciation of an apparently very nice man, putting himself out so attractively for the next two weeks for charity.

ANTHONY THORNCROFT

## Florence

## Maggio Musicale by WILLIAM WEAVER

The programme of this year's Maggio Musicale—the 39th of a distinguished and now venerable series—is remarkably austere, contemporary music heavily emphasised. It opened with the first Italian performance of Hans Werner Henze's *König Hirsch* (in Federico Cazzavza's translation, *Il cervo*). This was followed by another Henze work, *Il Cigno*. Then the Italian premiere of Paul Dessau's *Estimote*, and then six new

ballets by Sylvano Bussotti, a version of 1962, *König Hirsch* is long. Written between 1953 and 1955 (and first performed in the original version, in 1956 in Berlin), this is a young man's composition. Henze, then in his late twenties, was emerging from his Wandermusik phase and already—as critics have frequently noted—he was betraying (or flaunting) his longing for the South. Based, but very loosely, on a Gozzi fable, *König Hirsch* is crammed with ideas, as it is with characters and events. Not all the ideas are arresting (Tartaglia's music, for example, is not on a level with the score's finer pages), but much of the opera is both charming and moving. The two big tenor arias and all of it is well-made, magically orchestrated.

Bruno Bartoletti, the conductor, had clearly studied and absorbed the score; his conducting was firm and clear, and for its sensitivity to changes of pace, and—no mean feat—for the fine playing it drew from the Florence orchestra. The cast was good. As the stag-king Leandro, the tenor Michele Molise sang accurately and intelligibly; his is not a naturally beautiful voice, the sound is often tight, and so he could not really convey all the tormented tenderness of the text. As the Creon-like Tartaglia, Claudio Desderi was a master-villain, also laudable in his enunciation.

The two leading ladies—Maria de Francesca Cavazza and Slavka Taskova Paskova (the two big tenor arias) and all of it is well-made, magically orchestrated. Bruno Bartoletti, the conductor, had clearly studied and absorbed the score; his conducting was firm and clear, and for its sensitivity to changes of pace, and—no mean feat—for the fine playing it drew from the Florence orchestra. The cast was good. As the stag-king Leandro, the tenor Michele Molise sang accurately and intelligibly; his is not a naturally beautiful voice, the sound is often tight, and so he could not really convey all the tormented tenderness of the text. As the Creon-like Tartaglia, Claudio Desderi was a master-villain, also laudable in his enunciation.

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carefully preserved pockets of attempt to persuade his listeners that he really does believe there are occasions when television can make better use of the time you give to it than a book can. He suggested the BBC's *Civilisation* and *America* series as examples.

He said quite rightly—that "non-written ways of transmitting feelings and ideas have had a raw deal in the last few centuries, particularly, because writers and thinkers have themselves been trained in the other tradition."

Shortly after that, however, he invited his audience—quite wrongly—to "turn to the comparison of pictures on the one hand and prose on the other, since what television offers, is pictures par excellence, moving pictures, talking pictures, pictures with a background of comment, while what books offer is the more compact and rational, and perhaps more versatile, instrument of prose. It is usual to assume that, for the educated person at any rate, prose is the more powerful."

This is quite wrong in my view, first because the seemingly simple and straightforward comparison between pictures and

either by a programme made originally for the deaf—*News Review* or *Vision On* for instance—or by one of Patrick Carney's films—*Warcs* or *Flamingoes* for instance.)

Books demand, or permit, a much greater contribution from the reader than television does from the viewer, in both fiction and non-fiction subjects. The novel leaves the reader to visualise (in other words to imagine) colours, faces, shapes—in fact everything—whereas a television play leaves none of that to the imagination.

Those imbued with the puritan work ethic, and the belief that all effective medicine must be foul tasting, will tend, naturally, to the feeling that the medium which makes you contribute most must be the more effective, the more desirable.

Yet the truth is surely that if you consider the things that books do best and the things that television does best you discover that they are not really comparable. The "events inside people's heads which form such an essential part of War and Peace have never yet been communicated successfully by any

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DAVID MURRAY







## OVERSEAS NEWS

## South Africa fears over lack of long-term capital

BY GRAHAM HATTON

JOHANNESBURG, June 22.

A SCHOOL was burnt to-day in the Pretoria township of Gankwa but other townships were generally quiet after yesterday's rioting and arson, in which at least 13 people died. The death toll since last Wednesday is now over 100, with thousands surrounding Pretoria more than 10 buses were burnt out or damaged yesterday.

While it is generally accepted here that foreign risk capital, as well as long-term loan capital, will now be more difficult and costly to attract (a major public corporation to-day said it would require much more difficult to arrange even syndicated loans) officials in Pretoria point out that very little long-term money was coming in anyway.

The large current account deficit was largely being financed with short-term loans and credits, which the country is already saying a heavy political risk premium. In the second quarter of 1976 even this dried up and the foreign reserves plummeted. It is expected that the capital account as a whole could show a net flow for the second quarter when the figures are finally published late in August.

A bank manager I spoke to to-day said many of his customers expect sales to suffer as a result

of the political uncertainty in the country. One of the town's leading carpet companies had told him that sales this week were a fraction of normal.

But Pretoria is not unduly worried. Officials explain that the economy has just passed through an extraordinary quarter in which the Government has pumped literally hundreds of millions of rands of cash into the economy every month. The cash has filtered through to the business community, which has used much of it to pay foreign and cancel foreign credits. Hence the steep fall in the foreign reserves.

Officials explain, though, that conditions will change dramatically in July when new tax rates start to bite, new domestic loans are launched and the Government starts to rein back its own spending. The result, officials say, is likely to be a severe liquidity crunch, which will once again send businessmen abroad to raise foreign credits.

It is expected, however, that the rate of decline of the foreign reserves will slow down.

Certainly, nothing like the massive outflow of capital that followed the killings at Sharpeville in 1960 can be expected, Pretoria claims. That is because

no outward movements of capital have been permitted since 1961 without prior exchange control approval—generally not given.

Even emigrants are permitted to take out no more than half their assets, with the balance transferable after five years.

To-day, securities funds (used by non-residents to buy and sell South African securities in Johannesburg) stood at 82 U.S. cents, against the official exchange rate of \$1.5.

The big worry, however, is not that capital could leave South Africa, but that insufficient new long-term capital will come in. Even if the coming credit crunch succeeds in halving the current deficit, South Africa will still need upwards of R1bn. of new capital every year if it is to achieve a rate of economic growth that is high enough to prevent Black unemployment from rising.

At present it is rising by at least 10,000 a month as new workers are unable to get jobs. Greater unemployment, it is said, is likely to result in an even greater number of daily arrests under the pass laws (Blacks are generally forbidden by law from being unemployed in the urban areas) and this could lead to more bitterness and frustration.

## Lockheed inquiry arrests in Japan

TOKYO, June 22.

JAPANESE police today arrested four men, including three airline officials suspected of receiving \$170,000 from the Lockheed aerospace company.

The arrests were the first by Japanese authorities in their probe of the \$12m. scandal which has rocked Japan's political and business circles and threatened to topple the Government of Prime Minister Takeo Miki.

Charged with violation of foreign exchange and foreign trade control law were three officials of All Nippon Airways managing director Mr. Yuji Sawar, Mr. Hisaharu Okubo, former managing director and advisor to Marubeni Corp., on suspicion of giving false testimony to a parliamentary committee. Marubeni is one of the top trading firms and Lockheed's former agent in Japan.

The scandal broke into the open last February when a U.S. Senate subcommittee heard testimony that Lockheed paid \$12m. in Japan as part of its overseas sales campaign.

American prosecutors have sought Japanese assistance in unmasking Government officials said to have received illegal payments, but progress has been hampered by a delay in Los Angeles courts in hearing testimony from three Lockheed officials.

## Success at Riyadh talks is predicted in Damascus

BY ROBERT GRAHAM

DAMASCUS, June 22.

THE PRIME Ministers of Syria and Egypt are expected to paper over the differences dividing their two countries at their meeting beginning in Riyadh to-morrow and pave the way for a successful summit between Presidents Assad and Sadat.

This is the view of informed sources here. Of particular significance is the inclusion of the Syrian Foreign Minister, Mr. Abdul Halim Khaddam, in the Syrian delegation. He is regarded as one of the elements within the Syrian leadership who has taken the strongest lines against Egypt since the Sinai agreement last August.

Already an agenda is understood to have been broadly agreed. The basic elements of this will be to provide a formula whereby Egypt will restore diplomatic relations—effectively, though not formally, broken off two weeks ago at the time of the Syrian intervention in Lebanon—and a framework in which Syria will refrain from direct and indirect attacks on Egypt's acceptance of the Sinai disengagement agreement with Israel.

In private Syria is understood to have agreed to this, and is understood to be going to the Riyadh meeting, being held under Saudi auspices without pre-conditions.

In addition, the parties are expected to arrange for an end

to Egypt's opposition to Syrian efforts to settle the Lebanese crisis. This would involve no more active support of the Palestinians in antagonism to Syria—in the wake of the Syrian intervention two weeks ago. Egypt has come out in strong public support of the Palestinians by allowing them to re-open their long closed radio station.

The meeting at Heads of State level between President Assad and President Sadat is unlikely to take place for at least another week. President Assad has undertaken to visit Yugoslavia and then Romania from June 25 to 27, and the meeting would probably take place sometime after this, according to reports circulating here.

For over two months Saudi Arabia backed by Kuwait has been seeking to reconcile Egypt and Syria whose deep divisions provoked by the Sinai Agreement have been exacerbated by the Lebanese conflict and Syria's full intervention there. At least two previous mediation efforts have proved abortive.

For Syria, Egypt's acceptance of the Sinai Agreement was a "surrender," effectively removing Egypt from the confrontation with Israel. It also left Syria alone as the main champion of the Palestinian cause.

In frequent public statements Syrian leaders have said that reconciliation with Egypt was impossible until the Sinai Agreement was scrapped. But Egypt enjoyed Saudi support for the Sinai Agreement, and Syria now needs Saudi financial assistance.

Not only does the Lebanese crisis have serious effects upon Syria's finances but even before this, Arab assistance—especially from Saudi and Kuwait—has fallen far short of Syrian expectations. This year's budget has been cut by almost 50 per cent. from projected expenditures, according to informed sources here.

Also Syria is suffering from loss of revenue from oil transit dues following Iraq's stoppage of the flow of crude through to the Mediterranean. The Saudis have used this as a lever to persuade the Syrians to meet with the Egyptians.

Another consideration has been the fact that Syria, through its open intervention in Lebanon two weeks ago, became very exposed diplomatically, and cannot afford to risk unnecessary alienation of Arab states. Nevertheless, this does represent a sharp turn around for Syria which is now expected to merely "agree to differ in silence" with Egypt over the Sinai Agreement.

## Malay journalists accused of plot

By Wong Sulang

KUALA LUMPUR, June 22. THE Malaysian and Singapore Governments have disclosed an intricate plot by four senior Malay newspaper editors to subvert the Malay population in the two territories to Communism.

In separate statements to-day, the Governments accused Samad Ismail, a prominent Malay journalist and writer, of being the mastermind of the plot which involved creating despair and disunity among the Malays, undermining their resistance to Communism by ridiculing Islam and fomenting inter-racial hatred.

Mr. Samad (52), managing editor of the New Straits Times, the biggest newspaper in Malaysia, was arrested by the police in Kuala Lumpur early this morning, together with Mr. Samani Amin, the news editor of the Malaysian Berita Harian.

The other two journalists, Mr. Tassein Jahidin, editor of the Singapore Berita Harian, and Mr. Azmi Mahmud, assistant editor, were arrested by the Singapore authorities last week.

The Malaysian Home Ministry claimed Mr. Samad was a member of the Malaysian Communist Party, who was detained in the British in Singapore in 1951 for three years for his Communist activities. He migrated to Malaysia in 1959.

In its statement, the Singapore Government said Mr. Samad and Mr. Azmi had admitted that they were being directed by Mr. Samad in their subversion plot.

## Rhodesia President blames U.K.

BY TONY HAWKINS

SALISBURY, June 22.

THE DEFEAT of the nationalist "terrorists" is Rhodesia's prime objective and "an essential prerequisite to the attainment of an internal settlement," the Rhodesian President, Mr. John Vorster, said to-day.

In his first speech from the throne opening a new session of the Rhodesian Parliament, outlining a largely non-controversial domestic legislative programme, the President repeated recent Government warnings to Mozambique, "entirely at home and Zambia on the dangers of 'harbouring terrorists'." While the Rhodesian Government had to aggressive intentions, he said, it was determined to take "whatever measures are necessary to reserve the integrity of our borders."

As anticipated, the speech from the throne gave no hint of the Government's plans for the recommendations of the report on the racial discrimination published last week. Parliament would be given an "early

opportunity to debate it, and at the end of this debate the Government would indicate its position on implementing the recommendations.

The Rhodesian President attacked both Britain and the U.S. for encouraging terrorism, hoping to "ward off" further Communist penetration of southern Africa by seeking an early handover to Black rule in Rhodesia. The judgment of these Governments was "entirely at fault," the President said, adding that any such handover would lead to internal strife and chaos which Russia would be quick to exploit.

"My Government has no intention of permitting Rhodesia to be sacrificed in this way to appease the Communists," Mr. Vorster said.

Thanks to contingency planning, the effects on the Rhodesian economy of the Mozambique border closure had been minimised, but there were

far-reaching consequences for Mozambique itself in the form of lost revenue and large-scale unemployment.

In recent months there had been a considerable upsurge in terrorist incursions into Rhodesia from Mozambique. This would have occurred regardless of the outcome of talks with the African National Council which broke down in March because of the "unacceptable demands" of the ANC, which was not prepared to accept anything short of immediate Black government.

Mr. Vorster said that the terrorist leaders owed "virtually no allegiance" to the ANC, and their publicly pronounced intention was to establish in Rhodesia a Communist dictatorship along the lines of that in Mozambique.

Mr. Vorster said that the outlook for the Rhodesian economy appeared to be improving.

## Pakistan probe into payments

By Iqbal Mirza

KARACHI, June 22.

THE PAKISTAN Government will hold a thorough investigation into the reported payment of large commissions by the Boeing Aircraft company in connection with the sale of 11 planes to Pakistan International Airlines in the 1960s.

The Minister of State for Foreign Affairs and Defence, Mr. Aziz Ahmed, said to-day in the Senate: "We are determined to get to the bottom of it."

The sale of the Boeings and the alleged acceptance of bribes first arose in the Senate last week following the publication of a news item in the Wall Street Journal that Boeing had paid large sums as commission to bring about sale of Boeings to PIA.

## Syrians begin Beirut pull-out

BEIRUT, June 22.

SYRIAN troops to-day began to pack up and leave the vital area around Beirut airport, making way for Arab peace-keeping contingents which have arrived to supervise a new truce in Lebanon.

But while the conflict between the 13,000 Syrian troops in Lebanon and the coalition of Left-wingers and Palestinians showed signs of easing, there were ominous eruptions of violence on Lebanon's other main battlefronts.

Both Left- and Right-wing sources reported that fierce fighting began at dawn in the Muslim and Christian suburbs south-east of the capital, particularly around the isolated Palestinian refugee camp of Tel al-Zaatar.

Near the airport, Syrian troops loaded weapons, tents and bedding into the same Syrian trucks marked "Arab Security Force," which brought the 900-man peace-keeping units made up of Libyan and other Syrian units here yesterday.

The appearance of the new Syrian forces, in a neutral role

has prompted sceptics to point out that one Syrian force has simply been replaced by another. Some of the Syrians who entered Lebanon several weeks ago moved south from Beirut to-day and took up new positions near Sidon. One convoy of the Syrians, whose trucks pulled guns and rocket launchers from the positions near Beirut airport, was given a Palestinian escort through territory held by commandos and Lebanese Left-wingers.

But as soon as they reached the outskirts of Sidon, the Syrians were sharply rebuffed by the Palestinian military police and dug in at new positions. The commandos, who had planned to escort them further into the mountains, finally formed up just 200 yards from the Syrians.

Arab League secretary-general, Mahmoud Riad said in Damascus yesterday that Sudanese and Saudi Arabian troops would join the Arab peace-keeping force shortly. This would help remove suspicions of any bias on the part of the force, observers said.

About 200 non-Lebanese left Beirut to-day on a British organised road convoy bound for Damascus.

● Pan-Arab military forces in Lebanon pose a new political threat to Israel. Prime Minister Yitzhak Rabin said to-day, AP-DJ reports.

The inter-Arab peacekeeping troops "do not seem to hold any immediate military danger. The main problem is the political aspect of this development."

The Prime Minister indicated that Israel's new worry was that radical Arab states far away from Israel had overcome political differences and were joining forces to send troops to Lebanon.

## ON OTHER PAGES

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Reuters

# "We'd like to think that more people fly TWA across the Atlantic because we're terrific."

The in-flight crew (right) may have something. But of course everyone has their own idea.

Bill Slattery, vice president of schedules, believes TWA's 280 departures every week from Europe, North Africa and the Middle East explain why TWA is the leading transatlantic scheduled airline.

Harriet Korn, director of in-flight, puts up an interesting case for the choice of 2 films and 8 tracks of international audio on every Trans World Service flight.

Dieter Buehler, head of dining, says that the choice of 3 meals in Economy and 5 in First Class is a much more satisfying reason.

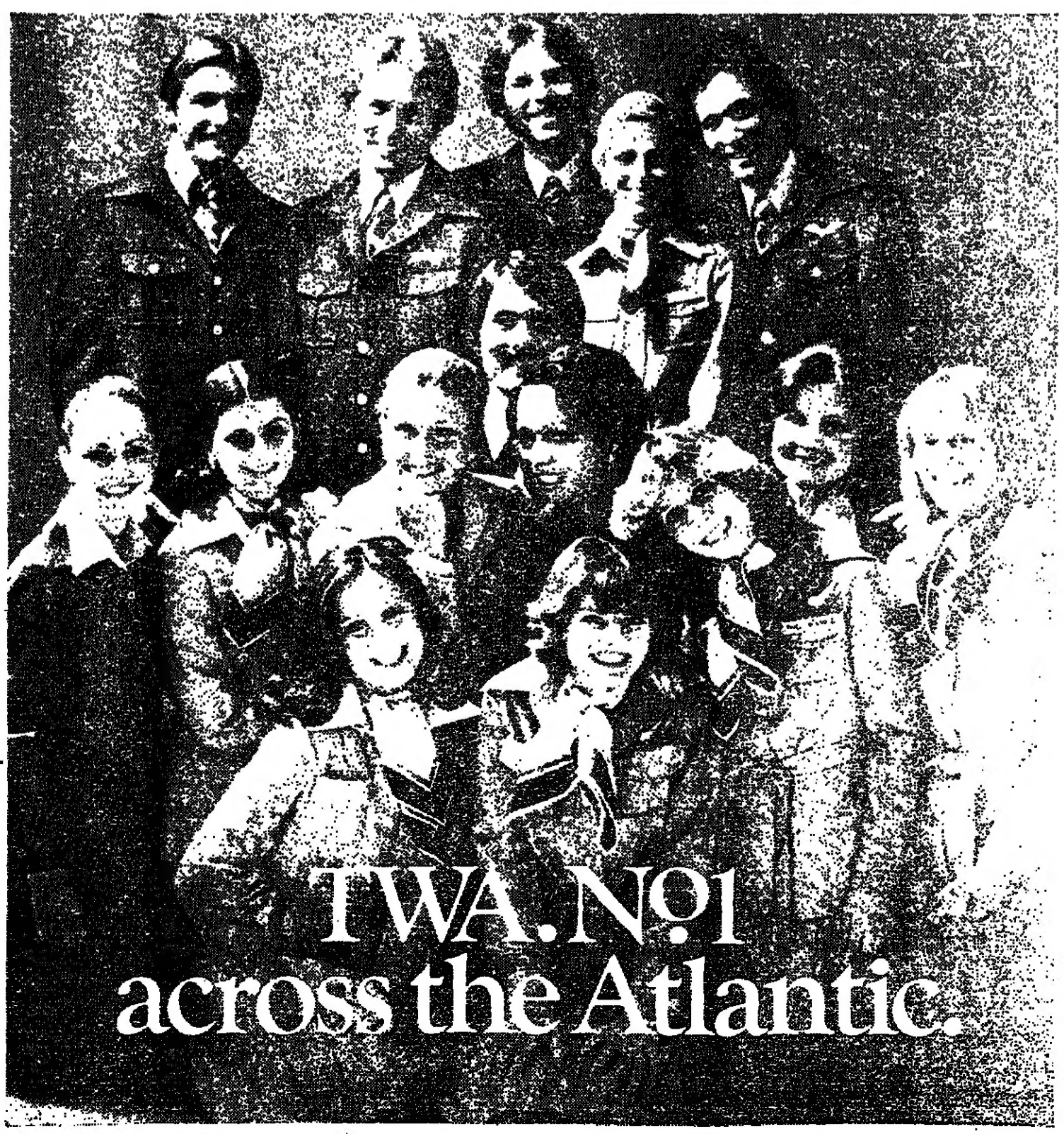
Jules Rondepierre, interior designer, suggests that TWA's wide, body-contoured seats in 747's are more to the point.

Andrée Picq, ground hostess, offers the unique reason of TWA's exclusive New York terminal.

And pilots are certain that TWA's consistent on-time performance is a much more important factor.

But it may just be that Charline, Kathryn, Lewis, Tamara, Shirley, Rick, Larry, Laura, Phyllis, Lynn, Ellyn, Denise, Art, Neal and Jane are right.

After all, they get to know you better than anyone.



## TWA. NO! across the Atlantic.



## EUROPEAN NEWS

# French capital gains Bill survives crucial amendment

BY RUPERT CORNWELL

PARIS, June 22

AFTER THREE weeks of torrid debate which provoked a serious political crisis, the controversial French Capital Gains Tax Bill at last looks close to approval by the National Assembly.

Earlier this evening the proposal survived a make-or-break amendment that would have pushed them back into the com-

mittee stage for "study," thus effectively killing off a Bill that President Giscard d'Estaing has made the touchstone of his credibility as a reformer. A final vote will now be taken to-morrow afternoon.

Only 20 diehard Gaullists supported the so-called "Bignon amendment" which was rejected by 250 votes to 207. That it was thrown out is all the more significant in that it had been used as a Sword of Damocles by the rebels who would have joined forces with the Left-wing opposition had changes in the original Bill not been sufficient for their taste.

Even so the price that the Government will have paid for keeping the coalition together will be high. The final text is a shadow of the modest scheme unveiled by Finance Minister Jean-Pierre Fourcade on April 20. In its initial form it would have produced an extra Frs.1.1bn. (£130m.) in fresh revenue but Mr. Fourcade tonight put the figure at Frs.500m., barely enough to cover the administrative costs of the new tax.

Its precise shape is still unclear as the Minister was fighting late into the night to soften amendments pushed through with which he disagrees. The main point at issue concerns bonds which he wants exempted but which the Assembly insisted should be included.

This apparent paradox is explained by the fact that capital gains which bonds frequently produce could be offset against gains on share dealings, thus lessening the disincentive to invest on the Bourse.

A compromise appears to have been worked out at a lunch hosted by Prime Minister M. Jacques Chirac, attended by Mr. Fourcade and leaders of the Parliamentary Coalition parties. If all goes well only State and indexed bonds will be exempt. Other difficulties cover allowances and the right to deduct capital losses on property dealings as well as on share transactions.

Even such a compromise however would be a sorry reflection on a tax which has illustrated not only the astounding conservatism of the "Old France" faced by even the slightest pinch on its pocket—but also on the highly fashionable state of the majority, where the Gaullists are deeply suspicious of their Centre and Independent Republican partners, backed by the President.

## German textile orders depressed

By Guy Hawtin

FRANKFURT, June 22

WEST GERMANY'S textile manufacturers remain dispirited by the slow recovery of orders during the first four months of the year. While there have been measurable improvements in both production and turnover, orders remain depressed.

April figures—the latest published by the Textile Industry Federation—show bookings at 2 per cent beneath the level of the same months of 1975. Twelve months previously they had risen by 7 per cent, on the April 1975 performance, but this was before the industry re-entered the recession.

On the other hand, April's production figures show a 9 per cent advance on the comparable month of last year despite the fact that there were an extra two working days in April, 1975. Turnover, which in March rose 19 per cent, continued upwards, but with orders still depressed, the Federation is by no means sure that the steady rise will continue.

In the first quarter of 1975 turnover was up by 10.5 per cent, against the first three months of the previous year. At the industry is hard put to explain the continued depression in orders. The Federation tentatively put forward the view that the changes in the calendar could be partially responsible.

## Romanian for British visit

VIENNA, June 22

ROMANIA'S NEW Minister of Defence, appointed last week in a surprise Government reshuffle, left Bucharest to-day on an official visit to Britain.

The Minister, Colonel-General Ion Coman, replaced General Ion Ionescu, who was appointed a Deputy Prime Minister. His trip to Britain returns a visit to Romania by British Defence Minister Roy Mason.

Romania is the only Warsaw Pact state to maintain military contacts with NATO countries, a trend which is viewed with misgivings by its Soviet bloc neighbours.

Rolls-Royce is supplying engines for a new military strike aircraft, the Eagle, which Romania is developing jointly with Yugoslavia.

## THE ITALIAN ELECTIONS

BY DOMINICK J. COYLE

# Business greets the result calmly

ROME, June 22

CALMNESS rather than any spontaneous enthusiasm has been the immediate mood in Italian business circles following the week-end General Election. The Milan Bourse to-day was described as being quietly active but generally restrained; the lira closed against the dollar at 850 compared with 833.6 yesterday, a moderate improvement which it appeared owed nothing to Bank of Italy intervention.

In one sense, perhaps, this was a somewhat conservative reaction to an election result which failed to fulfil the widespread Press forecast here that the Communist Party (PCI) might well emerge as the largest single political force in Parliament.

It can, however, be viewed in reverse since there is little doubt (or at least there was none in

Bank of Italy circles) that such a PCI advance would almost certainly have resulted in a further sharp run on the currency and, just as likely, a renewed plunge of prices on the Bourse.

Thus, the actual response to-day has been generally encouraging, in terms of an immediate electoral response, but a Bourse spokesman this afternoon made the obviously valid point that "the (economic) crisis still exists," despite the General Election.

The business community, and indeed the trade union movement, are only too well aware of the very real difficulties ahead in putting together any form of effective government, based on these results, and neither side feels greatly optimistic in the short term.

Confindustria, the national employers' organisation, has

already planned a meeting of its top executives for the immediate aftermath of the election, and the three main trade union confederations are also likely to have one of their spokesmen meet. One of their spokesmen said, tonight, that what was not predicted was that the results would be so close. Both main organisations underestimated considerably the results for the two leading parties, the Christian Democrats and the Communists.

They did, however, "exonerate" themselves quite commendably with their forecasts for the night as the first results came through for both the Chamber of Deputies and the Senate. The Doxa Institute of Milan in particular, was particularly impressive, getting the final percentage figures for almost all of the parties within a few hours of the polls closing yesterday afternoon.

## EEC, Nato officials fear further delays

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

BRUSSELS, June 22

LAST WEEK-END'S elections have done little to dispel the uncertainties clouding the Italian political scene in the view of officials at the EEC Commission, many of whom fear that delays in installing a new Government could further impede the Community's operations in the weeks ahead.

At the Nato headquarters in Brussels, the results have been greeted with a more evident sense of relief, because they have removed the threat of immediate dilemma which would have confronted the alliance had the Communists emerged from the polls as the single largest political party.

In both organisations, though, there is undisguised concern that the indecisive outcome of the vote will make it extremely difficult to get the new Government and that, with the start of the holiday season approaching, efforts to assemble a workable coalition could drag on through the summer.

Such a prospect, it is feared, would lead to a continuation of the situation which has prevailed during the past few weeks, in which the uncertain political conditions in Italy have been cited as grounds for deferring Community decisions on a number of important issues.

Though there has been a good deal of talk recently about the possibility of mounting a Com-

munism programme to bolster Italy's economic and financial position, there have been no signs so far of any concrete moves towards this end.

Even if such a step were to be seriously entertained, it would almost certainly have to await the installation of a new Government commanding the confidence of the Italian electorate and of Italy's EEC partners.

Barring any sudden new deterioration in Italy's financial position, the short-term Community observers believe that serious discussion of Italy's position in the Community is unlikely to occur before the fusion project, which has been at the centre of debate for the past several months.

The choice of sites has been narrowed down to four, with the most likely being Rome, Germany and German Government, which is apparently reluctant to commit itself to such a major policy decision in advance of next October's elections.

It is not yet clear whether the passing of the elections will now make it easier for the Community to decide on a site for its fusion project, which has been at the centre of debate for the past several months.

The general consensus is that the outcome in Italy is a complete impasse, which can only be got round by a deep understanding between the two hostile blocs of Christian Democrats and Communists.

While the political parties in Paris have split on classic Left lines and welcomed either a republican advance or a major Communist triumph, the independent assessments of a vote which would have a major impact on the 1976 Parliamentary elections, unworkable.

## Kissinger call to 'democrats'

BY RUPERT CORNWELL

PARIS, June 22

SECRETARY OF STATE Henry Kissinger to-day more or less urged the Italian democratic parties (excluding the Communists and the neo-fascists) to form a Government, despite the inconclusive result of the week-end election. Addressing a Press conference to-day, Dr. Kissinger refused to be lured into an outright condemnation of any Communist participation in Government, as he has done on several occasions in the past.

He noted however that with 50 per cent of the vote the democratic parties had a majority and the possibility of forming a coal-

ition. But the election had not at which the Communist-Socialist Union of the Left could easily come to power.

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## Portugal PM criticised

BY PAUL ELLMAN

LISBON, June 22

A FRESH note of bitterness was added to Portugal's presidential election campaign to-day with the sharp attack on the Prime Minister, Admiral Pinheiro de Azevedo, by Brigadier Vasco Lourenço, governor of the Lisbon military region.

Brig. Lourenço, a close supporter of General Ramalho Eanes, the army chief of staff and the front-runner in the race for the Presidency, described himself as "vehemently revolted" by remarks made by the Admiral. The Admiral has been publicly questioning Gen. Eanes' political past and suggesting that the army chief could install a new authoritarian regime if he wins next Sunday's election.

interview, to-day queried whether Admiral Pinheiro de Azevedo had played a prominent part in the coup which overthrew the old dictatorship on April 25, 1974. He also said the Prime Minister had failed to provide any "practical support" in the crushing of last November's abortive left-wing coup.

The latest spate of mudslinging came against the background of more campaign violence. Youths wielding iron bars clashed in Lisbon early to-day after Eanes campaign posters were allegedly covered by others supporting the Communist candidate, Senhor Octavio Pato. Later, Eanes supporters threw stones at the headquarters of the Young Communists.

Brig. Lourenço, in a newspaper

## Romanian for British visit

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Rolls-Royce is supplying engines for a new military strike aircraft, the Eagle, which Romania is developing jointly with Yugoslavia.

## IRELAND'S ACHILLES' HEEL

# The Easter Rising returns

BY GILES MERRITT IN DUBLIN

THIS MORNING a prominent and respected Irish politician, Dr. David Thornley, who is also a member of the European Parliament, is due to appear in the company of the cream of the Provisional IRA leadership at a Dublin District Court to answer charges of having taken part in an unlawful demonstration—namely, the Provisionals' banned Easter March through Dublin in April that commemorated the 1916 rising with a determined show of strength.

Dr. Thornley graced the Irish Coalition Government's side the Dail, until the Labour Party, here recently withdrew the whip from him because he had appeared on the speakers' platform at the Provo's rally. To-day, providing they show up, he will be taking his place in the dock alongside such notorious Provo chieftains as Rory O'Brady, Maire Drumm, David O'Connell and Joe Cahill, who are 100 Provisional Republican sympathisers are believed to have received summonses to appear in court under Section 27 of the Republic's anti-IRA legislation, the offence being the State Act, in what is being described as Ireland's biggest-ever legal action against the Provisionals.

When politicians of Dr. Thornley's standing keep such controversial company, and after a year that has seen the IRA taken on Ulster by Flanna Fail, the opposition party, harden to merge with IRA demands for a British commitment to withdraw, it seems a good time to ask whether militant republicanism still commands much support here, and whether that support is growing or is on the wane.

It is a question the Irish are now beginning to ask themselves. The Dublin-based Economic and Social Research Institute, which frequently advises the Government, has just started an 18-month study of Republicanism and the North (backed by the Ford Foundation) and will report towards the end of next year.

Nowadays, it is fashionable in official circles in Dublin to play down the level of support that the Provisional IRA can count on. Senior Ministers confide to journalists that the IRA is at its lowest ebb for many years and make it clear that the tough law-and-order stance adopted by Prime Minister Mr. Liam Cosgrave is when he visited Ireland was when he visited hunger-striking IRA Chief of Staff Sean MacStiofain. Former TV-interviewer David Thornley is a maverick and his presence at the rally was meant to challenge the Government's right to ban the march (and, incidentally, direct the State broadcasting monopoly to play down its coverage of it). His stand is in defence of civil liberties.

The significance of Dr. Thornley's stand is that a growing number of Irishmen believe that the present Government is going too far in its war on the Provisional Sinn Fein.

If anything, though, Mr. Cosgrave's hardline approach has highlighted the uneasy ambivalence towards Republicanism of the Irish Government and the Irish people.

The Provisional's Easter Rally that brought Dr. Thornley into conflict with his political colleagues is that Dr. Thornley never spoke at the Easter Rally because he told the organisers that if he did so it would be to disapprove of the Provisional movement, which he was not, therefore, allowed to speak. Mr. Dr. Thornley has been touching a number of other sensitive nerves. When he learned that his Provo Rally escapade was not to go unpunished, he commented bitterly that it was not just Mr. Cosgrave who was demanding his head but also the British Government. If there is one thing that bedevils Anglo-Irish co-operation it is Irish Government fears of being branded "British lackeys."

Ireland's republicanism is born of nationalism and is a deep-seated aspiration. To British eyes, though, the territorial claims embodied in Articles 2 and 3 of the Constitution are about as unrealistic as any British attempt to keep Ireland on the map would seem, and inside the Irish Cabinet there has been persistent pressure for the two Articles to be amended, as recommended by an all-party working group in 1967. It is not just Mr. Cosgrave's ready-made "British lackeys" who must remain unchanged in the foreseeable future, Britain must remain in Northern Ireland.

Irish republicanism is like strong drink: the Irish brought up on the stuff are in the position of practically unquenchable thirst. If the country is allowed to taste the spirit once again it will lose all temperance, though he does not ban the drink as harmful.

A random survey carried out in a recent radio programme established that the Irish are increasingly divided over their State's constitutional claim to Ulster. On the other hand, they are united in their fear that civil war could spill south of the border—no condemnation of the Provo's provocative use of violence is now the rule. Yet the Irish connection continues to fuel the Provisionals.

The Irish community in the U.S. supplies the cause though in Britain Irish expatriates have lately stopped the Provo bombings by informing on issues. Ireland itself, meanwhile, is split. Mr. Cosgrave summed up this issue himself in a keynote speech two years ago when he said that violence was "killing" the desire of unity that has been our heritage.

The danger is that the issue is becoming more and more a political football.

The party has just suffered an embarrassing by-election defeat in Donegal at the hands of an "independent" Flanna Fail candidate even more hawkish on

the Ulster issue. Dr. Thornley once again hit the headlines when last week he ostentatiously turned out to welcome the new member for Donegal.

Lurking republicanism is therefore something that the three main Irish political parties suspect in the electorate and pander to. The present Government puts off changing the Constitution because it will be accused of confirming partition. Flanna Fail, in uneasy opposition, has decided to harden its republican attitude and calls on the British Government to leave Ulster, in the hope of striking a responsive chord in the Irish electorate.

By a strictly law-and-order basis, Mr. Cosgrave's administration is unequivocally stern in its handling of the Provisional IRA. It has undertaken spent money on security, and the cost is £200m. a year as a result of the Ulster crisis—and since it came to power has been responsible for the bulk of anti-terrorist cases, of about 1,000, brought in the Republic's draconian no-jury Special Criminal Court.

But then Mr. Cosgrave's government is uncomfortably well aware that it is more threatened by such militant republicans as the Provos than by the Irish Government. The Provos may want Britain out of Ulster, but having achieved that aim, the fear is that they could turn on Dublin. As a result, the main plank of the Cosgrave policy is the northern policy. That while the Irish Constitution must remain unchanged in the foreseeable future, Britain must remain in Northern Ireland.

Irish republicanism is like strong drink: the Irish brought up on the stuff are in the position of practically unquenchable thirst. If the country is allowed to taste the spirit once again it will lose all temperance, though he does not ban the drink as harmful.

A random survey carried out in a recent radio programme established that the Irish are increasingly divided over their State's constitutional claim to Ulster. On the other hand, they are united in their fear that civil war could spill south of the border—no condemnation of the Provo's provocative use of violence is now the rule. Yet the Irish connection continues to fuel the Provisionals.

The Irish community in the U.S. supplies the cause though in Britain Irish expatriates have lately stopped the Provo bombings by informing on issues. Ireland itself, meanwhile, is split. Mr. Cosgrave summed up this issue himself in a keynote speech two years ago when he said that violence was "killing" the desire of unity that has been our heritage.

The danger is that the issue is becoming more and more a political football.

The party has just suffered an embarrassing by-election defeat in Donegal at the hands of an "independent" Flanna Fail candidate even more hawkish on

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## HOME NEWS

## Scotland and Wales 'must have say in Europe Parliament'

BY A. H. HERMANN

A EUROPEAN Parliament providing member states with representation proportional to their population and providing a significant number of seats for Scotland, Wales and Northern Ireland should be established by direct elections in two years, says a Commons Select Committee set up on May 18 to consider the matter.

The Committee yesterday published its first report. It appears to be very much in line with the so far unpublished agreement between the Government and the EEC Council to elections held throughout Europe on the same day or within a few days in May or June 1979.

The Government should press for an agreement on a directly elected European Parliament of between 350 and 425 seats. This should be enough to provide a devolution for the U.K.'s component parts not to be under-represented in comparison with smaller EEC countries such as Belgium, Denmark and the Netherlands.

This first report, which will be followed by a final report by October 30, recommends that the Government should agree in the EEC Council to elections held throughout Europe on the same day or within a few days in May or June 1979.

The Government should press for an agreement on a directly elected European Parliament of between 350 and 425 seats. This should be enough to provide a devolution for the U.K.'s component parts not to be under-represented in comparison with smaller EEC countries such as Belgium, Denmark and the Netherlands.

A member of the British Parliament should be eligible for election to the European Parliament. The decision whether he should try to combine both jobs should be made by the individual concerned and there should be no bar imposed by legislation.

Mr. Bryan Gould, Labour MP for Southampton Test, as anti-Market member of the committee, issued a statement criticising the work of the Select Committee and its conclusions. He thought that "the committee reached its recommendations with undue haste, having ignored witnesses opposed to the Government plans."

## Prince attacks Arab investment in U.K.

BY QUENTIN GURDHAM

A SAUDI Arabian prince spoke out yesterday against large Arab investments in British property. The rebuke from Prince Nawaf Ben Abdul-Aziz was mild, however. He said of the Arab purchase of the Dorchester Hotel for \$50m: "I have nothing against anyone investing money in that sort of thing, but I prefer that we invest our money in Arab countries."

There was a need throughout the Arab world for such investments, said the Prince, a brother of the King of Saudi Arabia and a former Foreign Minister. They could be sound business propositions.

He was talking in London when announcing that he was investing \$52m in an Egyptian building project, the tourist and residential development near the Pyramids which eventually may cost \$500m.

Prince Nawaf's investment is in SPP (Middle East), a subsidiary of Southern Pacific Properties which is a Hong Kong registered public company run largely by British executives. The shipping group P & O has a 22 per cent. shareholding and Trust Houses Forte about 3 per cent.

The other major shareholder in Southern Pacific Properties is Mr. Adnan Khashoggi, an arms salesman and agent for Western companies selling to the Middle East. Earlier this year he subscribed for 28 per cent. of the enlarged capital. SPP (Middle East) is to develop the Pyramids Oasis through Egyptian Tourist Development, in which the State-owned Egyptian General Organisation

for Tourism and Hotels is the other shareholder. It is thought that another prominent Arab shortly will take a stake equal to that of Prince Nawaf's in SPP (Middle East).

The Prince said that other international participation would be welcomed. "We are pleased to contribute our share and to co-operate with international companies which bring in their knowledge and expertise to the area."

"We firmly believe that Arab resources must be primarily invested in the development of our countries."

His remarks may have been more pointed because of a report after the Dorchester deal that two blocks of flats in Park Lane were to be sold to Arab investors for \$5m. The receiver for the Lyon group, which owned the blocks, later denied any knowledge of an Arab consortium's bidding for the properties.

## Tourism

Sheikh Najib Alamuddin, chairman of Middle East Airlines and a director of the company buying the Dorchester, said yesterday that MEA had "always been anxious to become associated with a first-class London hotel." It would help MEA to promote business and tourist travel to the U.K.

A reaction to the Dorchester sale from Tel Aviv was that Israel would no longer use the hotel. Israel Radio said President Ephraim Katzir, who stayed there last week, was "possibly the Dorchester's last Israeli client."

## Plutonium risk worries nuclear energy planners

BY DAVID FISHLOCK, SCIENCE EDITOR

PLUTONIUM and other highly radioactive by-products of nuclear energy may come under attack in a report on radiation hazards to be published by the Royal Commission on Environmental Pollution in September.

The study of radiological hazards was undertaken at the initiative of Sir Brian Flowers, chairman of the Royal Commission and a part-time Board member of the U.K. Atomic Energy Authority.

Sir Brian, in a brief statement to the national energy conference in London yesterday, dismissed worries about what he termed the "straight engineering aspects" of nuclear energy. But his commission had not been wholly convinced on the safety of plutonium and the higher actinides—the more deadly elements of radioactive waste.

It found it difficult to accept that there should be a massive increase in the U.K. nuclear power programme until at least one method of dealing with these substances beyond all reasonable doubt had been found.

The Commission did not want to prevent an "appropriate" nuclear programme, but it did not believe that alternative energy sources had been sufficiently explored.

The U.K. Atomic Energy Authority estimated, in its evidence to the Royal Commission, published this month, that the number of transfers of spent nuclear fuel containing the highly radioactive actinides, from nuclear stations to reprocessing plants would increase from 400 last year to 645 by 1980, 720 by 1990 and 2,700 a year by 2000.

Its report noted several possible methods for the ultimate disposal of the actinides in ways that would ensure that they could never get back into man's environment. These included burying the solidified waste deep in the earth or on the floor of the ocean.

It also suggested that the actinides might be separated from the waste and converted to shorter-lived fission products in a nuclear reactor. This process of actinide incineration would initially reduce the hazard by only about 1 per cent. It was calculated, but after 600 years could reduce it by about 89 per cent.

The development of actinide incineration would call for a massive programme costing tens of millions of pounds or more over 10 to 15 years.

## Court move on Tameside schools is delayed

THE Education Secretary's High Court move to compel Tameside schools, Manchester, to go comprehensive will not be heard this week as planned.

Three judges, including Lord Widgery, the Lord Chief Justice, agreed yesterday that the case should be held back to give Tameside Council time to prepare evidence.

Mr. Anthony Lloyd, QC, for the Council, said that solicitors in London and Manchester had been working on the case since last Friday, when Mr. Fred Mulley, Secretary of State, was granted leave to apply for an order of mandamus.

The lawyers would be ready by the middle of next week.

The order, if granted, would oblige the council to comply with Mr. Mulley's directive to introduce comprehensive education. Tameside education committee wants to retain its five grammar schools.

## Essential

Mr. Harry Woolf, counsel for Mr. Mulley, said that the school term would end on July 16 and it was essential that the matter be dealt with well before that date.

Lord Widgery agreed, and said that the earliest suitable date would have to be worked out in fit with the other business of the Queen's Bench divisional court.

## Free banking continues at Williams and Glyn's

BY MICHAEL BLANDEN

WILLIAMS & GLYN'S Bank promised yesterday that it would maintain until the middle of next year its free banking policy for personal customers who keep their accounts in credit.

It would have to consider the possibility of increasing its charges eventually, however. There had been a substantial increase in costs since the basis of the present tariff—the first London clearing bank tariff to provide free banking for personal accounts in credit—was established in August, 1973.

Mr. Richard Lloyd, chief executive of Williams and Glyn's, said that he expected

to gain extra business as a result of the increased competitiveness of the bank's terms resulting from the higher charges announced by the big four clearing banks.

"Our free banking move attracted a lot of new customers and we hope that by maintaining this policy we can increase our business further over the next year or so."

At the same time, the Co-operative Bank reaffirmed its policy of maintaining free banking for all personal customers in credit, in line with Williams and Glyn's.

The Co-op commented: "With our network of regional branches and our 4,000 in-store banking points at main Co-op

shops, we do not face the high cost pressures of other big banks and, therefore, there are no plans to reintroduce charges."

The Co-op charges overdrawn customers 4p for each debit entry and 7p a time for standing orders and direct debits.

Under the Williams and Glyn's tariff personal customers pay charges only if they overdraw during the quarterly charging period.

Charges are then made at a rate of 6p a time for automated items such as standing orders and 8p for other debits and credits. An offset at 5 per cent. a year on any credit balances is allowed.

## People 'more dishonest every year'

PEOPLE ARE becoming more dishonest each year and criminals are becoming more violent, according to a report on the work of police in England and Wales published yesterday.

The report, by Sir James Haughton, the Chief Inspector of Constabulary for England and Wales, says that reported crime last year increased by 7 per cent. (The figure excludes the Metropolitan Police District.)

"The figures for reported crime have now reached such

serious proportions that little consolation can be gained from them no matter how they are interpreted," writes Sir James.

"The sad fact emerges that more and more people are behaving dishonestly each year and are seemingly prepared to break the law to get what they want."

More and more criminals were resorting to violence when committing crime. "Vicious and ugly attacks on individuals especially in the communications are becoming all too commonplace."

Total expenditure on all police forces in England and Wales, including the Metropolitan Police, was £640m in 1974-75, compared with nearly £496m. the year before.

More emphasis on police-community relations, and improved recruitment, are referred to by Sir James who discloses that

there are now 15 specialist departments at police headquarters outside London dealing with this problem, with 131 officers working exclusively in anti-disorder expenditure between now and March, 1977.

## GLC to make £19m. cuts in projected spending

BY DONALD MACLEAN

THE GREATER London Council is to cut its projected spending in the current financial year by £19m., or about 1.3 per cent., its controlling Labour group has decided.

The decision comes after the recent call for local authorities to restrict their spending, in inflation-adjusted terms, by more than the latest estimates have suggested that they have.

Councils have been asked by the Department of the Environment to produce revised budgets by July 16.

The GLC proposals are understood to include the cutting of a further 300 jobs, by wastage, on top of the 1,200-1,500 which it was reckoned in the autumn would be lost in a similar way.

Sir Reg Goodwin, leader of the GLC, said yesterday: "The recent Government circular to all local authorities to restrict their spending programmes within the guidelines which the Government has previously laid down will be adhered to by the GLC."

This statement came amid reports that some local authorities were deciding not to adhere to Government policy. Sir Reg said: "I have asked all chairmen of GLC committees to review their spending programmes for this year, with the aim of cutting £19m. off our anticipated expenditure between now and March, 1977."

The cuts would be "extremely painful." The one area that would be exempt from cuts was housing. That area apart, standards in the other GLC services would be "inevitably reduced."

The money saved, would come basically from not spending £12m. reserves set aside for "unforeseen items" which crop up during the year. This £12m. "would almost certainly have been spent on a budget the size of the GLC's."

In addition, there was to be a cut of £4m. from the transport budget; £1m. was to be saved by replacing "half of those staff who leave the GLC's employment," and £2m. by reducing "goods and services and increasing charges other than rents and fares."

"In a word, parks, roads and concert halls, will all become a little more shabby this year and several schemes which we considered essential for inclusion in this year's spending will have to be deferred again."

The GLC will debate on Tuesday an opposition motion calling on the Council to confine to those "in need" receipts of subsidies from public funds essential to the running of a service—against the background of the Government calls for renewed restraint in public expenditure—and to confine expenditure to the "essential," as well as to increase the "productivity of staff."

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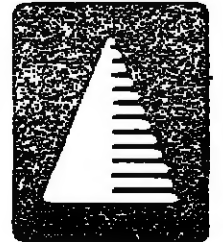
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## HOME NEWS

## Polaroid action moves to U.K.

BY LORNE BARLING

THE legal battle in North America between Polaroid Corporation and Eastman Kodak over alleged infringement by Kodak of "instant camera" patent rights is to be contested in Britain.

Polaroid is seeking temporary injunctions in the High Court against Kodak to prevent the sale of both cameras and film in this country. The court was told yesterday that Kodak planned to market two new cameras in the U.K.: the EK4 and EK6.

Mr. Geoffrey Everington, QC, for Polaroid, said the company had examined the new Kodak products and believed they infringed five camera patents and five film patents. The matter is expected to come before the court on July 27 and take three days to hear.

Kodak, facing action in a number of countries, has stated that the new products are based on its own distinctive technology and do not depend on patents of others.

"As a matter of corporate policy Kodak does not knowingly infringe patents of others," Kodak has made an extensive study of potential litigation in the instant photography field," it said.

## On sale

"We believe our patent position is sound and will defend that position."

The cameras went on sale in Canada last month and are due to be marketed in the U.S. at the end of this month. They are not expected to be sold in the U.K. before the end of the year, and dates have not been given for European launches.

## Move to lift Sunday Times ban

BY ELMOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

Mr. Sam Silkin, the Attorney General, is to ask three High Court judges today to discharge an order made three years ago banning Times Newspapers from publishing an article on the plight of thalidomide children.

The application will be made to Lord Widgery, Lord Chief Justice, Mr. Justice Croom-Johnson and Mr. Justice May in the Queen's Bench divisional court.

Times Newspapers agreed to the order on June 25, 1973, after five Law Lords had ruled that publication of the article in the Sunday Times would be contempt of court because of legal proceedings pending against Distillers Company (Biochemicals).

The Lords had allowed an appeal by Sir Peter Rawlinson, the Attorney General, against an Appeal Court ruling that publication would not be in contempt.

## Grocery chain tells its customers all

BY ELMOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

THE British American Tobacco subsidiary, to explain why International must make more money if it is to stay in business and expand.

"If we make losses or low profits, then we can only contract; leading to fewer jobs and a worse service to the public."

The answer lay in increasing the number of large shops run by the group, but this meant raising more money.

The possibility of either borrowing more money or financing the development out of profits is ruled out. "We have made major acquisitions recently with the aid of large loans, which are heavy and we do not want to borrow more money."

The company was not making enough profit to pay its shareholders a fair return. "Let alone last year resulted in a net profit to pay for expansion."

## Campaign for electoral reform is launched

BY KEVIN DONE, INDUSTRIAL STAFF

A BROADLY-BASED campaign for reform of the electoral system, heralded as "one of the most essential steps in bringing about the regeneration of Britain," was launched in London yesterday.

The 114-member National Committee for Electoral Reform, under the chairmanship of Lord Harelech, has been formed by Parliamentarians, industrialists, academics and prominent people in many walks of life who all seek dramatic changes in the British political system.

Lord Harelech said that the present system has enabled Governments to impose on the country policies for which the party in power has been unable to obtain anything like general support.

"It has resulted in adversarial politics with frequent and damaging changes of course on critical issues."

"Partly because this brings about an absurd political knock-out and partly because it so imperfectly reflects public opinion, the public has become disillusioned with politics and politicians."

The committee, which includes two Labour MPs, Mr. John Mackintosh and Mr. Brian Waller, two Conservative MPs, Sir Nigel Fisher and Mr. Anthony Kershaw and Mr. David Steel, contend for leadership of the Liberal Party—believes that a more democratic system would improve the character and level of the political debate and lead to better government.

The committee is aware that the level of the political debate and lead to better government. The committee is aware that the level of the political debate and lead to better government.

Arnold Weinstock, managing director of GEC, Mr. Peter Balfour, chairman of Scotch Whisky, and Sir Joseph Batsman, former chairman of Furness and Newall, Sir Joseph Lockwood, former chairman of EMI, Sir Maurice Loring, chairman of John Laing Construction, and Lord Balfour, chairman of the newly formed Equity Capital for Industry.

Other prominent businessmen include: Sir Alex. Alexander (chairman, Imperial Foods), Mr. Adrian Cadbury (chairman, Cadbury Schweppes), Viscount Cuddeph (chairman, Decca Music), Mr. Christopher Chataway (managing director, Orion Bank), Sir John Clark (chairman, Plessey), Mr. Evelyn de Rothschild (director, N. M. Rothschild), Mr. R. A. Gurney (chairman, Imperial Tobacco), Sir R. G. Godes (chairman, Dunlop Holdings), Mr. Hector Laine (chairman, United Biscuits), Mr. Joseph Rank (chairman, Rank's, Bovis, McDougall), Mr. John Sainsbury (chairman, Sainsbury), Lord Shackleton (deputy chairman, Rio Tinto Zinc), and Mr. Anthony Troland (chairman, Barclays Bank).

Members include Miss Diana Rigg, Mr. John Arlott, Professor Max Beloff, Mr. Frank Chapple, and Mr. J. B. Priestley. The committee will be holding a series of public meetings to discuss the proposals for reform of the House of Lords, or a Bill of Rights.

Many committee members would welcome the setting up of a Royal Commission to study possible reform of the electoral system, but were enthusiastic yesterday about the prospects of a Speaker's Conference.

## Building industry outlook 'bleak for three years'

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

NO UPTURN for the construction industry before 1979 is the bleak picture painted by the National Council of Building Material Producers in its latest set of forecasts.

The Council expects total building output, when measured in constant prices, to fall by 1 per cent this year after the 6 per cent drop recorded in 1975, and the 10 per cent decline registered in the previous 12 months.

Next year the material producers expect another 1 per cent fall in output, with 1978 remaining at the same depressed level. The only sectors in which any positive recovery is considered likely are, in the short term, private housebuilding and, in the longer term, private industrial work.

The forecasts were prepared in the last few weeks and were not apparently influenced by the improvement in the order situation, particularly in the public sector, recorded in February and March.

The forecasting panel says that the upturn could reflect nothing more than a bunching of orders at the end of the fiscal year and orders might, therefore, be expected to decline in later months.

In the housebuilding sector, the material producers expect a steady situation to continue in the private field, while a less certain outlook is held out for local authority output.

While council housing starts are forecast to rise marginally this year from 174,000 in 1975 to 175,000, they are expected to drop back to 150,000 in 1977 and continue on a downwards path into 1978.

Completions should this year reach 185,000, a rise of 3,000 over 1975, remain at the same level next year, but fall back to 182,000 in 1978.

In the private housing sector, the material producers believe that starts this year will rise from 180,000 in 1975 to 180,000, and reach 185,000 next year. In 1978, they forecast a steady situation. As far as completions are concerned, last year's total of 151,000 starts could this year rise to 160,000 and increase further to 165,000 this year. Another steady picture is expected in 1978.

In the public sector, excluding housing work, the material producers believe that output will rise this year by two per cent after last year's decline of 4 per cent. But this is only considered likely to be a short-term trend, with a fall of four per cent next year followed by another slight drop in 1978.

Private industrial construction work is expected to fall 9 per cent this year but to turn up by 5 per cent next year, and then rise steadily in the following years.

In the private commercial sector, output this year is expected to continue to decline, by about 13 per cent. A drop of 7 per cent next year may be followed by a modest improvement in the next 12 months.

More than 100 out-of-work businessmen went back to "school" yesterday to learn how to find a new job. They were at a Bristol Polytechnic open day to hear of retraining opportunities and meet executives who had found new jobs after taking management courses sponsored by the Government's training services.

A feature of unemployment figures of the past year has been that regional differences have been somewhat smaller than in previous recessions. Although the jobless total still has been higher relatively in Scotland, Wales and northern England, the gap is much narrower than in, for example, 1971-72, partly because of various regional aid measures. In Scotland, the unemployment rate is barely higher than at the bottom of the previous recession despite the big jump in the national jobless figure, which reflects also the impact of the development of North Sea oil.

## Cut ship credits, says banker

By John Wyles, Shipping Correspondent

A PLEA for governments drastically to reduce shipbuilding credits in the interests of stabilising the world shipping market and reducing potential taxpayers' losses was made by a leading London-based shipping banker yesterday.

Mr. Peter Douglas, of Chase Manhattan Bank, joining the list of bankers who are now keen to ally themselves about banks' potential losses through the tanker surplus, told a conference in Bilbao that about \$350 (£2,520m) of outstanding tanker debts were government-sponsored or government guaranteed loans.

Mr. Douglas, Chase Manhattan's European Shipping Co-ordination manager, claimed that this amounted to more than 50 per cent of outstanding tanker debts and predicted that loans on 20m. deadweight tons will be in default by the end of the year.

Governments' exposure would be about \$750m, while the present total of defaulted tanker debt held by commercial banks is nowhere near \$750m.

Mr. Douglas told the International Shipbuilding and Marine Conference that there should be "open subsidies of ships, openly arrived at."

Shipyard credits—most shared by the banks for encouraging the tanker ordering spree of 1972-73 and steps should be taken now to reduce the risk of spreading the tanker depression into other sectors of the shipping market.

OECD would shortly be under strong pressure to raise its credit guidelines from the present 70 per cent repayable over 7 years formula to 80 per cent over 8 years.

It was clear that if credit was limited to 80 per cent or even 50 per cent of the vessel price, shipowners would directly benefit.

In view of the \$750m. at risk this year, taxpayers in several countries would also gain from a more conservative financing policy.

Claiming that "the real entrepreneurs to shipping will not buy fewer ships if credit terms are reduced to 50 per cent," Mr. Douglas said that tighter credit could, in fact, help governments map out a strategy for shipbuilding industries during the present slump.

Wine clearance from bond declines by 17%.

By Kenneth Gooding

BLEAK conditions in the drinks trade underlie a day-by-day statistics from Customs and Excise which show a steep decline in clearances from bond of wine during the first quarter of this year.

Figures show an apparent fall of 17.1 per cent on the January-March clearance, in spite of a pre-Budget boom in March which pushed them up by nearly 10 per cent, compared with the same month of last year.

Direct comparison with last year's figures is not strictly possible because statistics have been compiled on a different basis from January this year.

Official estimates from major traders suggest that retail volume of wine sales has been higher than published figures indicate, but is still considerably below that of last year. The Wine and Spirit Association blames the decline on high levels of duty. It said last night that it "resents a serious threat to business viability and jobs."



Statsföretag AB

HERE YOU CAN SEE THE DIFFERENT COMPANIES THAT COMPOSE STATSFÖRETAG AND THEIR TURNOVER.

(All figures in \$ 1,000, \$ 1 = 4.40 Sw. Kronor)

\* (For our U.S. branches)

## THIS TREE HAS ITS ROOTS IN SWEDEN'S NATURAL RESOURCES.

The backbone of Statsföretag is also the backbone of Sweden. Year after year natural resources like iron ore and timber account for the lion's share of Sweden's export earnings. It's deep down in the mines and deep in the forests that the largest investments are needed to enable Statsföretag and Sweden to meet the requirements and competition of the future. By 1980 Statsföretag will have invested 1,250 million dollars.

## STATSFÖRETAG IS 26 DIFFERENT COMPANIES

Attracting professionals of the highest calibre is no problem for our various companies. We possess abundant know-how in all our fields: steel, shipbuilding, paper processing, chemicals, pharmaceuticals, machine tools and industrial equipment. Statsföretag recently doubled its capital by the addition of 1,311 million dollars to fortify its credit workability and to achieve a sound balance between its own and borrowed capital. Statsföretag operates with the same profit requirements as Sweden's private sector companies. We are in no way favoured as a state-owned company. We compete on equal terms with everyone else. The difference lies in the directives our parliament and government have laid down for policies concerning employment and the location of industry. In other words we combine normal business criteria with social considerations. A concept of the future...

## STATSFÖRETAG ACCOUNTS FOR 10 PER CENT OF SWEDISH INDUSTRIAL INVESTMENT

The trunk and branches are reaching out for development. We are well equipped for growth in

markets, both new and old. Statsföretag represents only 4 per cent of Swedish industry. Yet it accounts for 10 per cent of all investment. An average of 185 million dollars per year were invested between 1970 and 1974. Investment is going into some of our major enterprises: Berol Kemi (chemicals) - 114 million dollars, LKAB (iron-ore mining) - 523 million dollars, ASSI (forest products) - 193 million dollars, NJA (steel) 80 million dollars and KABI (pharmaceuticals) 43 million dollars.

## STATSFÖRETAG EXPORTS 50 PER CENT OF ITS OUTPUT

The world's major export markets are showing great interest in Statsföretag's products. Especially those in Europe: LKAB's most important markets are in Belgium, Germany and Luxembourg, those of NJA in the EEC countries and ASSI's in England.

## STATSFÖRETAG A STRONG, WEALTHY AND GROWING GROUP

It is Statsföretag's objective to develop the group so that it is equipped for the future. Just as the branches of our tree are supported by their trunk - so our subsidiaries can draw on Statsföretag's professional services with its experts and coordinators who can devise plans for tackling new and untapped markets. Just as the whole tree needs the sustenance of neighbouring soil, Statsföretag also depends on the support of other countries.

Product development is high on the list of priorities of all our companies: New types of ship, new forest products, new chemical products, new processing systems for steel manufacture and so forth. Statsföretag has far-reaching plans for the future.

but its roots remain in Sweden's natural resources and Swedish craftsmanship.

Below please find salient figures from Statsföretag's Annual Report for 1975.

	1975	1974	1973
SALES (in million \$)	1,801	1,833	1,274
RESULT BEFORE ALLOCATIONS AND TAXES (in million \$)	73	224	92
YIELD ON TOTAL CAPITAL EMPLOYED* (in per cent)	5.0	12.3	6.6
INVESTMENTS (in million \$)	349	250	195

\* Result before extraordinary items plus interest paid as percentage of total average capital employed during the year.

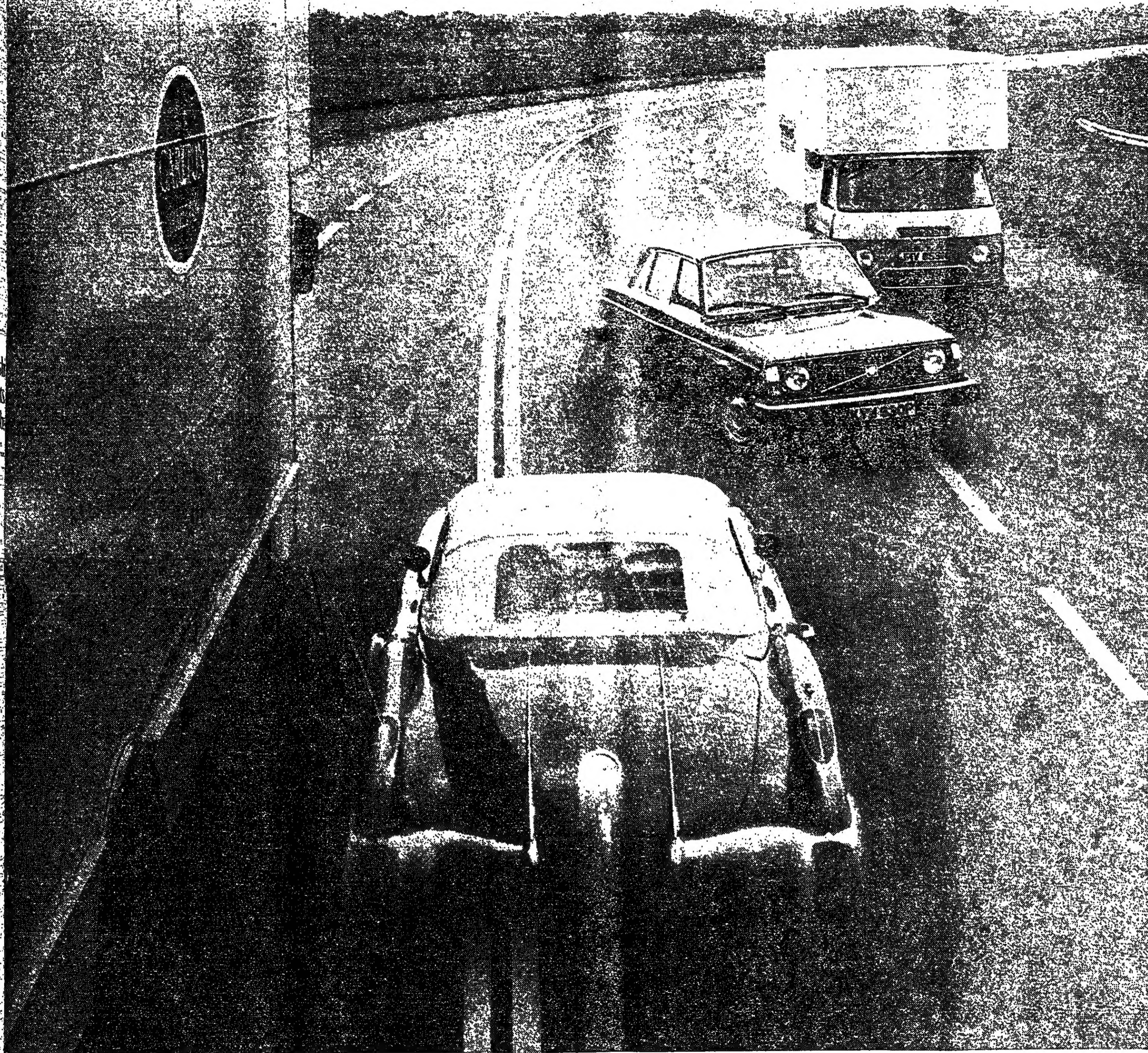
## STATSFÖRETAG AB

For more detailed information about Statsföretag and its subsidiaries please write to Statsföretag AB, Public Relations Department, Fack, S-10380 Stockholm, Sweden.

مكتبة الأصيل



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one of the circuits should fail.

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Avoiding accidents is the Number One priority.

And so is surviving them. **VOLVO**



The Monopolies Commission has given London Brick a clean bill of health, but wants a change in charges for delivery. Geoffrey Owen reports.

# A brick industry monopoly

LAST WEEK'S Monopolies Commission report on the brick industry underlined one of the great problems of competition policy: once an industry has become dominated by a single powerful concern, it is very difficult to change its structure. Short of breaking up the monopolist into smaller units (which would only be justified if he was flagrantly abusing his power), the best that can be done is to induce or compel certain changes in his behaviour which will make it easier for new competitors to emerge.

Thus the principal recommendation in the report on bricks is that London Brick should relate its transport charges to the actual costs of delivery. In this industry transport costs are high in relation to the costs of production and London Brick has long had a policy of overcharging for delivering bricks close to its works and undercharging for delivering at a distance; this was part of its strategy for developing a national market for fletton bricks, which are produced out of lower Oxford clay mainly in the Peterborough, Bedford and Blitchley areas.

The Commission pointed out that the extent of undercharging in the most distant areas was as high as 17 per cent., which represented about 11 per cent. of the ex-works price and more than 7 per cent. of the delivered price. "This practice," says the report, "represents unfair competition and could lead to an inefficient use of national resources. This could arise if, as a result of LBC's pricing policy, some builders in (say) Wales were to find LBC's bricks cheaper than equivalent locally produced bricks when the costs of producing and delivering the latter were lower. This would be objectionable, particularly if the importing area suffered from

relatively high unemployment." The Commission's hope seems to be that the small, local brick-works, whose gradual disappearance has been a striking feature of the industry for many years, will be given a new lease of life by the change in pricing policies. London Brick thought the change would not produce this effect: if fletton prices were increased, the company told the Commission, the prices of other bricks and of alternative

be made wherever there is suitable clay or other material.

Some have special load-bearing properties, like the "blue" engineering bricks largely made in Staffordshire, or unusually attractive appearance, while others have no special properties and are sold mainly on price: a small brickworks making ordinary bricks might have a local market radius of about 30 miles.

Before World War I fletton bricks were sold mainly in the South, but because of their cheapness they became established as a common purpose brick with a wide national market in England and Wales and to some extent in Scotland.

By 1950 London Brick was responsible for about 70 per cent. of fletton deliveries and about 24 per cent. of total brick deliveries. The company was founded in 1900, some 20 years after a London Brick acquired three of the four surviving fletton competitors—Marston Valley, Redland and Whittlesea Central—while the fourth, Flettons Ltd., ceased production: London Brick now accounts for 100 per cent. of fletton output. The fuel because of the carbonaceous content of the clay, and the unusually high strength in the unburnt and the burnt brick suggest that LBC had set out to obtain a complete monopoly manufacturing processes required. Non-fletton bricks can

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uncertain. LBC's monopoly of fletton brickmaking seems unlikely to be challenged." In fletton brickmaking the main manufacturing unit is the Hoffman transverse-arch type kiln which produces some 62.5m. bricks a year. The most efficient plant would contain four of these units, producing 250m. bricks a year with a total of 250 men. LBC had 23 works operating in 1973 and all but two of these were built before the war: the two "new generation" works are New Saxon and Kings Dyke.

On the non-fletton side of the industry the efficient works, according to the Commission's studies, should have a minimum capacity of at least 25m. bricks a year. At present nearly two-thirds of non-fletton bricks come from works producing less than this. The trend towards fewer brickworks will certainly continue (the number fell from 1,147 to 357 between 1938 and 1973), though there will always be a place for the small works catering for routine local needs in remote areas.

The Commission states that LBC, because of its dominance of the fletton industry, has considerable market power; if the company is right in thinking that flettons' share of the total market will increase, this power will grow still further. But on the question of whether LBC exploited its market power to charge excessive prices or to make excessive profits, the Commission's verdict is "not guilty."

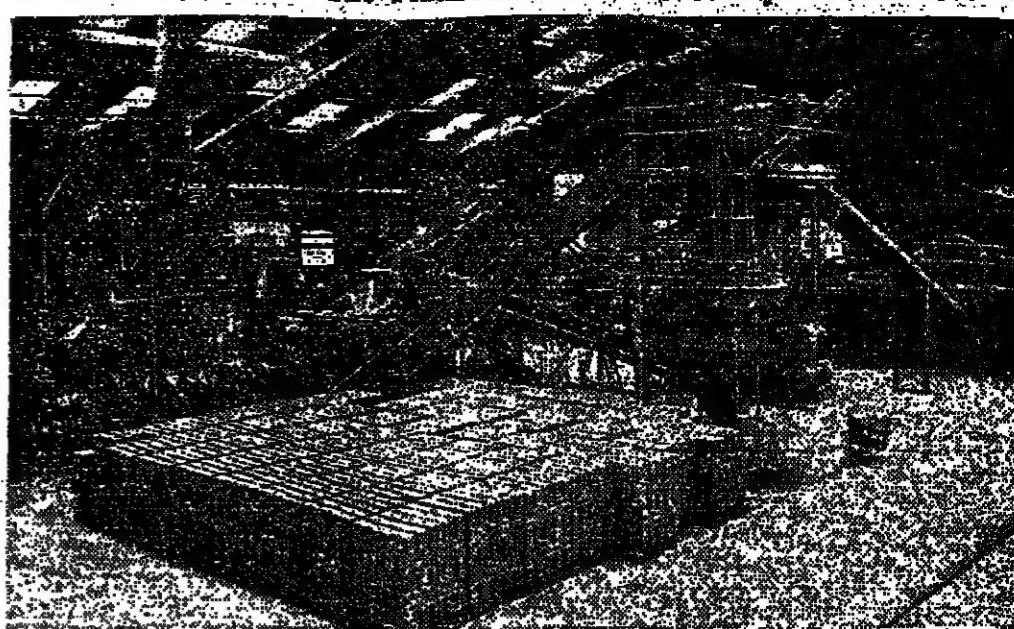
Over the 20-year period from 1955 to 1974 the company's return on capital employed averaged 23.5 per cent., which is excessive. The Commission was impressed by the stability of LBC's profits even in recessions and this is attributed to the company's ability to raise prices when demand is weak. But this the Commission does not regard as exploitation.

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In other respects, too, the company is given a clean bill of health. The Commission does not criticise LBC for failing to meet demand at peak periods, such as in 1973. "We do not think LBC would have been justified in undertaking greater investment in fixed plant for



Highly automated brick-making works of Nottingham Patent Brick.

## STRUCTURE OF THE BRICK INDUSTRY

DELIVERIES OF FLETTON AND NON-FLETTON BRICKS (millions)

	Total	Fletton	Fletton as % of total	LBC	LBC as % of fletton	LBC as % of total	Non-fletton	Non-fletton as % of total
1950	5,929	2,034	34.3	1,427	70.2	24.1	3,895	65.7
1960	7,232	2,919	40.4	2,012	68.9	27.8	4,313	59.6
1970	6,356	2,746	43.2	2,309	84.1	36.3	3,610	56.8
1972	6,998	3,016	43.1	2,883	95.6	41.2	3,982	56.9
1974	5,011	2,050	40.9	2,050	100.0	40.9	2,961	59.1

materials would simply be raised by similar amounts. Whether the company or the Commission is right remains to be seen — the Office of Fair Trading is to start negotiations with the company soon—but the fact that it was the only recommendation for change contained in the report illustrates the strength of London Brick's position.

The company was founded in 1900, some 20 years after a London Brick acquired three of the four surviving fletton competitors—Marston Valley, Redland and Whittlesea Central—while the fourth, Flettons Ltd., ceased production: London Brick now accounts for 100 per cent. of fletton output. The fuel because of the carbonaceous content of the clay, and the unusually high strength in the unburnt and the burnt brick suggest that LBC had set out to obtain a complete monopoly manufacturing processes required. Non-fletton bricks can

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this purpose particularly as Valium tranquillisers to earn excessive profits "on a very large scale." The other was LBC International, formerly London Rubber, which was said to have used its market power to earn abnormally high profits. The Commission does not criticise the company's stocking policy. The LBC's target return on new projects of 20 per cent. on a discounted cash flow basis is described as "not unreasonable."

The Commission accepts the company's claim to be an efficient producer with a good record of technical advance. The report notes with apparent approval the company's methods of monitoring its internal efficiency and the development of its operational scheduling model as an aid to production, distribution, pricing decisions and forecasting. The company's industrial relations record "did not justify any complacency," particularly in the difficult conditions of 1974, but in any case the Commission saw no connection between its industrial relations performance and its average 77.3 per cent.

Wherever possible the Commission has sought to weaken the position of the monopolist by encouraging price competition. In the case of wire and fibre ropes, for example, the Commission felt that British Ropes' profits, while not excessive, were "reasonably remunerative," especially in the light of the number of competitors and the excess capacity which existed in the industry. The weakness of price competition, the Commission felt, stemmed in part from some of these was Roche, which was attacked for exploiting its monopoly in Librium and discounts with competitors and

agreements with foreign suppliers. The Commission recommended that these practices should be terminated. In several other cases—Turner and Newall in asbestos, BPH Industries in plasterboard, BUSM in shoe machinery—the Commission suggested relatively minor changes in selling and distribution arrangements, but the monopoly conditions themselves were not regarded as against the public interest. When the chances of stimulating price competition are seen, the Commission may fall back on the recommendation that the company concerned should have to seek Government approval before increasing prices; this was done in the breakfast cereal market with Kellogg. Similarly in batteries Eveready, Unilever completely cleared by the Commission, was seen to have the power to exploit its monopoly position in the future; its profit and its discount and price policies, should be kept under review by the Office of Fair Trading.

With all these companies, however, the Commission has always the threat of a further reference to the Commission if their behaviour seems to warrant it. In a sense the Commission is on probation: even the most satisfactory Monopolies Commission report is unlikely to make no difference to the way the conduct their affairs. To have won the Commission's seal of approval, in however qualified a manner, is something of an achievement; it is worth making an effort to retain it.

Building Bricks, Monopolies and Mergers Commission HMSO, £1.35.

## London Brick's profit record

	Deliveries (millions)	Group historic profit rate (%)
1968	2,245	19.9
1969	1,995	12.7
1970	1,883	18.3
1971	2,321	26.5
1972	2,690	24.2
1973	2,883	28.9
1974	1,050	9.5*
* 7.7% on brick-related activities		

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# DSM?

for a leading company we are initially misleading

We should have called ourselves ICI, for Immense Chemical Ingenuity. Or GEC for General Experts in Chemistry. Or ABC for Acrylonitrile, Butadiene, Cyclohexamine to take but three of our hundreds of products. All much less misleading than DSM.

**D** FOR DUTCH. Our HQ is at Heerlen in Holland, but we don't stop there: one third of the total of 30,000 DSM men are located in subsidiaries and associate companies in the United States, South America, all over Western Europe and many other countries as well.

**S** FOR STATE. Misleading if you think a state business is protected from the chill winds of other businesses have to face. Our Government's instructions to us are to make a profit and to raise any capital we need in the market place like everyone else. That's how protected we are.

**M** FOR MINES. That's so misleading it's a wonder nobody has sued us. We once operated several Dutch coal mines, but the last Dutch-mined coal came up in 1973 completing a smooth and profitable move to other energy sources and wider enterprises. We'd long been in coke, then gas and chemicals; now we're in petrochemicals, fertilisers, plastics, yarn and fibre, feedstocks, rubbers, resins, building materials, transport, clothing... But after 70 years we're stuck with DSM. If it helps, you could think of us as Developing Synthetic Molecules, or Dying to Show our Methods—or even as a Definite Source of Money.

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مکان من الأصيل



## LABOUR NEWS

## Glasgow men threaten to occupy fire stations

By DAVID CHURCHILL, LABOUR STAFF

A THREAT to occupy Glasgow fire stations because of the Government's proposed cuts in public expenditure came yesterday from representatives of the city's 700 firemen.

Men who three years ago went on strike for ten days over a pay dispute, claim that the reduction in manpower by natural wastage of the Strathclyde Fire Brigade would severely reduce cover in the east fire-prone city in Europe.

If the cuts are implemented

then the firemen—who are acting unofficially—say they will occupy up to three stations and provide fire cover using the full complement.

Meanwhile, the Government's plans to relocate 31,000 Civil Service jobs from London over the next few years could be challenged by Civil Service unions in response to the proposed cutback in jobs currently considered by each Department.

General secretaries from the main civil service unions have already met Lord Shepherd, Lord Privy Seal and Minister responsible for the Civil Service, to voice their fears over continuing with the costly dispersal programme while the Government is trying to prune costs.

No details of the exact costs of dispersal have been given to the unions but the Civil Service Department is currently assessing the principle of dispersal two years ago.

The cost of dispersing over 7,000 Ministry of Defence jobs, for example, is now believed to be nearer £200m. than the £80m. first estimated.

The unions want the Government to consider these escalating costs in the context of the £140m. savings now being planned.

As reported in the Financial Times yesterday, these savings would substantially reduce the level of public services and departmental programmes.

In particular, some unions fear the Government might go back on its pledge not to make non-mobile staff, mainly clerical grades and below, redundant from the dispersal programme.

In addition, the BIM called for separate participation arrangements to be included in any system for managers who should not necessarily have to be represented through trade unions.

"We need experimentation before legislation in Britain's condition—not arbitrary imposition of laws," said Sir Frederick.

## Employee-directors 'must be works-based'

By OUR LABOUR STAFF

THE GOVERNMENT and TUC have been criticised for failing to draw on the unique experience of worker-directors in the British Steel Corporation during the current debate on industrial democracy.

The criticism comes from Mr. Dick Lennard, a BSC worker-director in Wales. He writes in his current issue of the Iron and Steel Trades Confederation journal that employee involvement should be pursued at all levels of management, rather than predominantly at Board level as in the TUC proposal for joint boards.

He adds: "I am convinced that the employee director or other type of worker representative must be works-based, so that he or she has the best possible knowledge of the plant and the shop floor and the union officials."

Greater worker involvement will not cure all the ills of

industry, but the experience at BSC suggests that it could help in the treatment," he says.

Meanwhile, critics of legislation on industrial democracy should be framed flexibly and should not force companies to adopt rigid systems, came from the British Institute of Management yesterday.

Giving oral evidence to the Bullock Committee of Inquiry, Sir Frederick Catherwood, the BIM chairman, and Mr. Roy Close, director general, suggested that only enabling legislation, which would leave the way for participation without imposing it, should be considered.

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## Tax 'hitting' U.K. film industry' The skilled 'need proper rewards'

By OUR LABOUR STAFF

By ALAN PIKE, IN TORQUAY

PROVISIONS IN April's Budget to increase tax paid by foreign residents have sent U.S. film directors surging from Britain and in the process brought disaster to the British film industry, according to a trade union leader.

Mr. Alan Sapper, general secretary of the Association of Cinematograph, Television and Allied Technicians, has written to all MPs to enlist their support against fiscal measures which have taken films to the brink of being "a cottage industry."

The list of directors who have either left or are about to leave the country includes some of the most famous names in cinema: Stanley Kubrick, Norman Jewison, Carl Foreman, Roman Polanski and Joseph Losey.

Since April these men, if they have lived in Britain for nine out of ten years, must pay full U.K. tax—mostly at the maximum rate of 63 per cent—on 75 per cent of their worldwide earnings. This is 20 to 25 per cent more than they would pay in the U.S.

"We are not arguing on emotional grounds," says Mr. Sapper. "It is simply the case that by driving these people abroad the Exchequer is losing more than it could possibly gain by the higher rates of tax."

Concern about erosion of differentials led to a state of disputes by British Leyland tool-makers in the Midlands earlier this year, and it will be an important test of the new pay policy to see whether this situation is repeated.

Mr. Buck, who is general secretary of the Sheet Metal Workers' Union, said that with the recent marked declaration in earnings, prices of manufactured goods had shot head of wage costs.

Rising raw material costs were creating large price increases which without price controls would "make our members' sacrifices in a wages policy ineffective."

While the Government's Energy

A WARNING to the Government that the erosion of skilled workers' pay differentials brought under control was given yesterday by Mr. Les Buck, president of the Confederation of Shipbuilding and Engineering Unions.

He told delegates in his opening address to the conference that the standard of living of the country would match only the skill of its people. High skills meant high standards and low skills low standards.

"That being the case, it follows that we cannot afford to overlook the question of proper reward for skill. We have to encourage its emergence among us and we have to see that it has incentive to emerge. Otherwise we will decline."

The 19 engineering unions in the confederation have many skilled members, both manual and white-collar, whose relative pay position is declining under the present incomes policy.

Influential union leaders including Mr. Jack Jones, general secretary of the Transport and General Workers, are already referring to the need to provide proper rewards for skill and training when the new phase of incomes policy, approved by the TUC last week, comes into effect.

Mr. Jones said that the new pay policy is a growing theme in the coming months.

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Rising raw material costs were creating large price increases which without price controls would "make our members' sacrifices in a wages policy ineffective."

While the Government's Energy

A WARNING to the Government that the erosion of skilled workers' pay differentials brought under control was given yesterday by Mr. Les Buck, president of the Confederation of Shipbuilding and Engineering Unions.

He told delegates in his opening address to the conference that the standard of living of the country would match only the skill of its people. High skills meant high standards and low skills low standards.

"That being the case, it follows that we cannot afford to overlook the question of proper reward for skill. We have to encourage its emergence among us and we have to see that it has incentive to emerge. Otherwise we will decline."

The 19 engineering unions in the confederation have many skilled members, both manual and white-collar, whose relative pay position is declining under the present incomes policy.

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Bank Name: Bank Address:

Please pay Countdown £ every month, year, starting on (date) until further notice.

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Signature: When completed this form should be sent to your bank but to Population Countdown, 27-35 Mortimer Street, London W1A 4QV.

Thank you. (Print where applicable)

## Row over pit fund deductions

By OUR LABOUR CORRESPONDENT

A ROW over allegations of unauthorised staff salary deductions at a mining industry to swell a mining industry benevolent fund may lead to the National Coal Board being taken before an industrial tribunal.

It centres on a new coal industry benevolent fund set up recently by the Coal Industry Social Welfare Organisation mainly with a view to providing funds in the event of accidents.

All unions in the industry have been invited to participate in the scheme which involves NCB employees contributing 1p a week into the fund. But the Association of Professional Executive Clerical and Computer Staff (Apex) has already dissociated itself from the scheme and instructed the NCB not to levy their 5,000 members in the industry.

Following the first deduction last month, some individual members of the British Association of Colliery Management are complaining that the money was taken without their authority.

One colliery manager employed at the NCB's Mining Research and Development Establishment at Stanhope Brethby in Warwickshire has taken the issue up with the Office of Industrial Tribunals. Others have written to the NCB, asking for an explanation.

They argue that they do not begrudge the money but that they are making their stand on a point of principle—that wages and salaries should not be adjusted without due authority. They maintain that many management grades are not even aware that the money has been deducted, and predict a groundswell of anger against it once they realise what has occurred.

But Mr. George Tyler, the colliery managers' general secretary, denies there was any meaningful opposition to the scheme, which his union had promoted jointly with the National Union of Mineworkers. Just "a mere handful" of members had objected and these were being given their money back, he added.

The scheme had been unanimously endorsed by his union executive and at the recent annual conference only four delegates opposed it.

Meanwhile, Mr. Joe Gormley and Mr. Lawrence Davies, NUM president and general secretary respectively, have offered to forgo recent payments in order to bring them into line with the pay limits.

Both were attacked by rank and file left-wing miners on the grounds that a recent NUM executive decision that the union should pay the rates on their union-owned houses breached the £14 a week limit because NUM officials are due to receive 16 rises at the end of this month.

Realising that the situation may be seen as a breach of the policy that they have both campaigned for, Mr. Gormley has offered to surrender the £8 increase, while Mr. Davies has offered to give up either the rates payment or the £8. The matter will be considered by the NUM executive next month.

Mr. R. E. Basher has been appointed managing director of MARKET CREDIT, a subsidiary of Security Universe.

Mr. P. A. Hoare and Mr. C. W. Freyer have been appointed directors of MORISON SON AND JONES INTERNATIONAL, which is the principal company of the general trading group of Arthur Guinness Son and Co.

Mr. W. M. Ramsdell has been appointed a non-executive director of CURTIS VALVE WORKS, which will continue as managing director of Waltham-Weir-Pacific S.A. of Zaragoza, Spain.

Mr. G. E. Birchall has been appointed to the Board of CAMREX CORROSION ENGINEERS, a subsidiary of Camrex (Holdings).

Mr. Paul Bourgeois has been appointed managing director of YORKSHIRE VEHICLES, a member of the Hestair group. He joins the company after 12 years with the Ford Motor Company.

After over 30 years in the switchgear industry, Mr. George Canon is retiring as managing director of the YORKSHIRE SWITCHGEAR GROUP, but will continue as executive chairman of the group. Mr. Philip S. Canon has been appointed managing director in succession to his father.

Mr. Noel Hill has been appointed chief executive of WEST CUMBERLAND PARKERS. Currently general manager of the feeds and seeds division of J. Bibby and Sons, he will take up his new post in October.

Mr. Michael Jones has been appointed director of remuneration and staff of the PLESSEY COMPANY. He succeeds Mr. Charles Verdon who has been made director of personnel services (telecommunications).

Mr. E. A. Kashita, a non-executive director of BOOKERS (ZAMBIA), has been appointed chairman. He succeeds Mr. J. N. W. Bearder, the chairman of the merchants division of Booker McConnell. Mr. Kashita is a former managing director of Indeco and was Minister of Mines and Industry in the Zambian Government from 1973 to 1975.

Mr. M. E. Tietner, has been appointed marketing and sales director of JISCOT AUTO CONTROL and Mr. J. McNulty has been made production director.

The following have been made members of the CIVIL SERVICE ADVISORY COMMITTEE on the longer term opportunities for the company in Europe. Mr. J. G. Blagoe, formerly's Datastream's chief executive, has been appointed as European adviser, and Mr. S. W. J. Urwin, formerly head of finance and administration, has been made assistant European adviser.

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## APPOINTMENTS

## Executive deputy chairman for Guinness Mahon

Mr. Jean-Pierre Frayse has been appointed executive deputy chairman of GUINNESS MAHON AND CO. from August. Mr. Frayse has resigned as a director of Lloyds Bank International where he was responsible for the merchant and investment banking division.

Mr. Derek J. Kingsbury is to leave Thorn Electrical Industries to take up the posts of director and deputy chief executive of BOWTIE GROUP from September. Mr. P. S. Hewitt, financial director of the electrical and hydraulic division will assume overall responsibility for that division, reporting to Mr. G. J. Stronger, chairman of the engineering group.

Mr. A. J. Davis, an assistant chief general manager of LLOYDS BANK, has been appointed a deputy chief general manager of the bank from October next. Mr. Davis will eventually take over from Mr. E. O. L. Vaughan, the present deputy chief general manager who will be retiring in March next year.

The MANUFACTURERS LIFE INSURANCE COMPANY OF CANADA states that, in addition to his U.K. responsibilities, Mr. G. R. Stokely, investment manager for the U.K. will be responsible for the company's overseas securities division which will now be located in London.

Mr. T. Chandler has been appointed an assistant general manager of BRITISH & EUROPEAN INSURANCE.

Mr. A. P. Field will retire from the Board of COURTAULDS after the annual meeting on July 21 on medical advice.

Mr. Michael P. Conolly is to succeed Mr. Ken Bartell on his retirement shortly as regional general manager for France in INTERNATIONAL WESTMINSTER BANK. Mr. Conolly has been assistant regional general manager since January 1975.

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# Callaghan opens Benn's exercise in open government

BY RAY DAFTER, ENERGY CORRESPONDENT

Britain celebrated her impending metamorphosis as the only major industrial nation self-sufficient in energy with a conference in Church House, Westminster, yesterday.

The First National Energy Conference was attended by 400 delegates from all the energy producing industries—top management and trade union leaders—as well as consumers and environmental groups.

Ambassadors from overseas countries and top officials were also present to hear about the development plans for oil, coal, gas and electricity.

The conference was arranged by Mr. Anthony Wedgwood Benn, the Energy

Secretary, as part of his "open government" philosophy. He hoped that the open discussion, backed by some 20 policy statements, would be a starting point for a harmonised energy policy.

Up to now energy policies have related to specific industries so that, at times, the cohesion has looked tenuous—a point which emerged again yesterday.

It was clear from the Prime Minister's opening address, however, that the occasion was also being used as a tab-thumping exercise to proclaim to the world—and, by implication, those who might be selling sterling short—that Britain has a wealth of energy resources which can be used as the basis for revitalising industry.



Mr. Anthony Wedgwood Benn, Energy Secretary, welcomes the Prime Minister to the conference.

## Power resources will fund industrial revitalisation—PM

BRITAIN'S ENVIRONMENTAL bank of energy resources will be used to fund industrial revitalisation, the Prime Minister said yesterday. Mr. James Callaghan, Prime Minister, at the opening of the energy conference, Ray Dafter writes.

Reminding the 400 delegates of the first industrial revolution, which was based on coal reserves, Callaghan listed the various sources of energy which would make Britain self-sufficient in oil and fuel by 1980.

"Britain almost alone—perhaps alone—among the big industrialised nations has a chance of working out its destiny fully independent of foreign resources," he said.

"We must grasp this opportunity firmly by taking care conservation without endangering progress."

Callaghan said that the country's strength in energy had a direct bearing on economic prospects. It would be wrong to be complacent about a future, but it was a fact that present estimates put the gross value of oil reserves at about 100bn.

The Prime Minister repeated the re-emphasised the figure, "think of all those noughts."

A year ago not a drop of North Sea oil had been landed. Today a country was well on its way towards landing oil that would be worth up to £1bn, in 1976.

The gross value of gas reserves amounted to about £75bn, at today's prices. Coal and nuclear resources were equally valuable.

"Potentially the new resources have changed the outlook for Britain. Apart from beyond the prudent safeguarding of these God-given natural resources, the emergence of these new resources against the sombre background of the potential exhaustion of world hydrocarbon resources must lead to energetic action to enhance the role of coal."

Coal remained Britain's richest natural resource, with reserves that would last for 300 years at the present rate of consumption.

In addition, Britain had pioneered the use of nuclear energy for electricity generation and there was no country in the world which could claim such a long experience of tried and tested systems as those now in operation.

Mr. Callaghan emphasised that it was important to harmonise these energy sources so as to obtain an economically sensible solution which took into account the broader social and long-run supply aspects.

"We must not leave to our children insoluble problems."

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"We must not leave to our children insoluble problems."

## Ryder champions cheap gas

BY RODNEY SMITH

LORD RYDER, chairman of the National Enterprise Board, came out in support of the British Gas Corporation in its contention that there are no grounds for increasing the price of natural gas.

He told the conference: "One of the things that has become a major factor in industry's cost structure is energy. One of the things that we cannot place our industries at an advantage over other countries in the cost of raw materials, but in the case of gas we can give a tremendous boost to Britain's industry."

For this reason it was most important at a time when the Government was doing its utmost to encourage more investment and general industrial reorganisation, not to take on extra costs in the shape of higher fuel prices.

Lord Ryder said that the social implications of an increase in gas prices could have lower-paid income groups—a point which was taken up and emphasised by several subsequent speakers, particularly those representing organisations like Child Poverty Action Group, Help the Aged and Age Concern.

Ronald Bainbridge, Professor of Energy Studies at Newcastle University, advocated the establishment of a national energy strategy group—an independent body which would deal with wide-ranging energy logistic and economic analysis.

A national energy policy advisory Board, which would have a dozen or so members of

high technical and business calibre, should also be set up and selected energy strategy assessment papers published at an earlier stage than had so far been the case.

Commander John Hamer, director of the Press Plant Association, supported Prof. Bainbridge's suggestion. He proposed a national energy strategy committee which would be financed by the Government but which would not be subservient to it.

He pointed out that as individual energy plants became larger and construction periods longer so the need increased for a stable long-range plan.

Conservation

Mr. Denis Rooke, who is soon to take over as chairman of British Gas, gave a warning that there were three main areas which would decide if and when there would be an energy gap.

The first of these was energy conservation. Industry should take reasonable steps to avoid waste. Britain also needed to pay more attention to making better use of energy resources.

Exploration would continue to play a vital role. We could already look forward to at least a few years of self-sufficiency, but with a continuous programme of exploration we ought to be able to uncover sufficient reserves to see us through to the end of the century.

Sir William Hawthorne, chairman of the Advisory Council on Energy Conservation, laid the emphasis for future energy con-

servation on the industrial designer. "Most of our buildings and industrial equipment were built before energy conservation was thought up," he said.

It was now the designer's task to see that future development—sited, or geared to, energy conservation. Lord Adington, chairman of the National Nuclear Corporation, turned the conference's attention to the need for a substantial nuclear programme in Britain by the 1990s. A fast reactor, would have to be a big part of it, he said.

For the present, the reference design of the steam generating heavy water reactor ought to be complete within two years.

The other major problem facing the National Nuclear Corporation was the need to tackle public concern about the fast breeder reactor. An enormous amount of work still had to be done and we must have a continual programme of development to know that we can build it.

Sir Brian Flowers, chairman of the Royal Commission on Environmental Pollution and a part-time Board member of the U.K. Atomic Energy Authority, who discussed the threat of environmental pollution as posed by nuclear reactors, stressed that he was well aware of the advantages of nuclear energy.

"We believe fast breeder reactors will eventually be shown to be acceptable," he said, "but no one should turn to a form of energy as dangerous as plutonium unless there is no viable alternative."

increase until by March 1970 the net amount owing to banks, etc. was £1,900,000. This figure, however, is after taking into account the balances in hand and overdrafts existing in those companies which were acquired during the period. In June 1968, the group had acquired the Wiggins-Sankley group in circumstances which were very similar to the acquisition of Willesden.

Wiggins-Sankley, which was also acquired in exchange for Austin shares, had cash in hand of £108,000 at the date of acquisition and if this amount, together with other bank balances existing at the dates of acquisition, had not been received the group indebtedness at March 1970 would have been £2,000,000. Between April 1968 and March 1970 the group, therefore, had expended over £2,000,000 in addition to any profits earned during that period.

The inspectors list nine major items totalling £1,180,000, and say the assets acquired "produced no income, and all resulted in a loss to the group. Neither this amount nor any part of the cost of acquiring subsidiary companies was funded by the group."

The inspectors conclude their report by assessing the roles of E. J. Austin directors in the light of their recommendations of prosecution for Haworth and Chambers.

As to the others, the position is very different. The matters which we have considered concern events going back over many years and in some instances the evidence which we have taken into account may not be necessarily available or admissible in subsequent proceedings. We, therefore, make no recommendation for any prosecution or civil proceedings against anyone other than Haworth and Chambers.

E. J. Austin International Limited, investigation under Section 165 (b) of the Companies Act 1948. Final Report of the inspectors appointed by the Department of Trade, HMSO, £2.25.

North-West woos French

A TEAM from the North-West Industrial Development Association, led by its director, Mr. Clifford Chapman, will seek investment in the area by French companies at a seminar in Lille on June 24.

Several hundred companies in Northern France have been invited to attend.

From April 1968 the total group indebtedness continued to

increase until by March 1970 the net amount owing to banks, etc. was £1,900,000. This figure, however, is after taking into account the balances in hand and overdrafts existing in those companies which were acquired during the period. In June 1968, the group had acquired the Wiggins-Sankley group in circumstances which were very similar to the acquisition of Willesden.

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## Extra generating plants attacked as wasteful

BY ROY HODSON

TENSIONS between the Government and the energy industries were brought into the open at the start of the energy conference by Sir Arthur Hawkins, chairman of the Central Electricity Generating Board.

"We have been used as pawns in the power game in order to tie up the loose ends of the country's energy economy," he said.

The Board had been pressurised into taking expensive fuel that nobody else wanted. When coal was cheap they had been required to burn dearer oil and when oil became cheaper they had been told to take high-cost coal.

The electricity authorities

already had a surplus of generating capacity, because of a fall in demand for electricity, and to invest hundreds of millions of pounds in new power stations before they were needed would be a shocking waste of national resources.

British Gas was saving £1,000m. a year on the balance of payments, because it had attacked the premium oil markets and thus displaced oil imports, said Sir Arthur Hetherington, its chairman.

If parity of pricing between gas and electricity were to be adopted, as advocated by Mr. Wedgwood Benn's political advisers, the cost of gas would be at least doubled, provoking a savage increase in the cost of living, he declared.

Sir Derek Ezra, chairman of the National Coal Board, said that the coal industry wanted a long-term view taken of Britain's energy policies.

Three phases

There were likely to be three phases. Up to 1980 the country would still be importing fuel; in the 1980s there was likely to be a British energy surplus; by the 1990s a shortage would again appear.

Coal had a vital role to play in each of the three phases and it would be necessary to continue investing in coal production.

Putting the case for the nuclear energy industry, Sir John Hill, Atomic Energy Authority chairman, said that reasonable continuity in the ordering of nuclear power stations was essential if the country was to maintain a viable nuclear industry.

Mr. John Greenborough, for the Petroleum Industry Advisory Committee, said the British oil industry was against an over-rigid energy structure because of the difficulties in getting energy forecasts right.

The TUC viewpoint was put by Mr. Frank Chapple, chairman of the TUC fuel and power committee, who called for a united and co-ordinated national energy policy.

The unions wanted to see a National Fuel and Power Board set up which would be a point of contact between the unions, government, industry, and other interested groups.

A plea for energy consumers to be allowed freedom of choice was made by Lord Watkinson, president of the Confederation of British Industry.

"If Sir Arthur Hetherington can offer us cheap gas we would like to have it," he said.



Sir Arthur Hetherington, Chairman of British Gas.

Representing the miners, Mr. Joe Gormley, the National Union of Mineworkers' president, said it was in the national interest that the energy industries should join together in more coherent policy-making.

Unless some positive decisions were made quickly, as a result of the conference it would have been a waste of time.

Lord Kearton, chairman of the State-owned British National Oil Corporation, stressed the importance of North Sea oil to the nation's balance of payments. It would give the country the necessary breathing space in which to restructure industries for a more competitive future.

Warning

Acknowledging the long-term importance of nuclear energy, he pressed the Government to take an early decision to build a prototype fast breeder reactor.

Mr. Walter Patterson, representing Friends of the Earth, gave a warning against the consequences to humanity of what he called a plutonium economy, which would develop if fast breeder reactors were introduced and plutonium processed by the ton.

Transport and General Workers' Union general secretary, Mr. Jack Jones, said a few of the international oil companies operating in Britain were still antagonistic to public participation. They should realise they were against the tide of public opinion.

## E. J. Austin management 'was rash or even reckless'

OCUSATIONS OF "rash or reckless" investment and management and attempts to disguise the company's financial position are the main conclusions of the final report of Department of Trade inspectors into the affairs of E. J. Austin.

The report, which was issued yesterday, said that the company's liquidation in 1972 and whose former chairman, Mr. Kenneth Howarth, was led in May last year for five years for fraud.

The "worst aspects of the firm's affairs have already been dealt with in the interim report of the inspectors, Mr. John Lloyd, QC, and Mr. Dennis Brett, FCA, published in January, 1972. They said that Howarth and Mr. Walter Chambers had defrauded the company of £247,000.

The inspectors' report shows the money spent on fraudulent mining ventures, at the instigation of Mr. Howarth, was the last of a series of investments between 1963 and 1970 which had led to the company's liquidation.

The inspectors summarise their findings as follows: "This began as a small company on a basis which involved a high risk situation but this position was apparent to investors as early as 1963. By 1968, the directors were a number of unwise acquisitions, some of which turned out to be unprofitable and some of which were ill-advised."

"Between the beginning of 67 and the company had the vice and financial expertise of Mr. Walker. Its acquisitions during that period left a somewhat unwieldy group but which was viable in that it had efficient business and funds for ordinary operation even though profit levels lower than those own by the annual accounts."

"We have suggested that the annual profits were overstated in the balance sheet at April 30, 68, disclosed a financial position which could have been developed. The company then embarked on a series of investments and activities, some of which were, to our mind, rash or reckless and which led to a company's collapse. These are:

1.—The expenditure of £363,000 with a commitment for a further £200,000 on purchases of land in the Bahamas and Jamaica for projects which were manifestly incapable of producing income in the near future and which would have involved a time beyond the scope of the Austin group.

2.—The expenditure of money in excess of £500,000 on unremunerative building projects in England.

3.—The withdrawal of cash from some of the company's sub-

idiaries with the result that their profitable operations were undermined.

4.—The acquisition of companies in the late stages was made largely in exchange for cash and not as previously by shares. The monies so expended totalled over £700,000.

5.—A miscellaneous of matters which involved the disbursement of the company's funds in excess of £250,000 with no apparent advantage to the company.

6.—The expenditure of £347,000 on the fraudulent mining ventures as described in our interim report.

Commission

The role of Mr. D. F. Bollen, who resigned as chairman in March, 1969, is highlighted by the inspectors: "The Board are liable for matters within their knowledge, but we are satisfied that during the period from January, 1967 until he ceased to be chairman, Mr. Bollen was the director mainly responsible for the company's policy and operation. He caused the withdrawal of some funds from subsidiaries and was responsible for the incurring of expenditure on land overseas, the unremunerative building projects, the change in the method of acquiring companies and the accounts for the years 1966, 1967 and 1968 as criticised by us."

"Mr. Bollen acted as director without disclosing his interest as required by Section 199 of the Companies Act in the matters within his knowledge, namely the Goadsby acquisition and the receipt of commission on property purchases from E. J. Austin Properties Ltd. by an Austin subsidiary."

"Expenditure on the fraudulent mining ventures and the consequent withdrawal of funds from subsidiaries and the parent company were the responsibility of Howarth and Wayne Chambers. Howarth's responsibility for the statements for the years 1966, 1967 and 1968 as criticised by us."

"The company's policy and operation. He caused the withdrawal of some funds from subsidiaries and was responsible for the incurring of expenditure on land overseas, the unremunerative building projects, the change in the method of acquiring companies and the accounts for the years 1966, 1967 and 1968 as criticised by us."

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by the accounts over a period of three years.

"In total the points described in the report not only constitute a material part of the profits disclosed for the three years involved, but can be seen to be an increasing proportion of those profits. In 1968 the points we have raised amount to over 50 per cent. of the published profits."

Evidence

The main items of accounting of which the inspectors are critical involve the treatment of unrealised profits by the property subsidiary, Pointson, a company which had a "material effect on the various annual accounts of the company and other documents issued by Austin."

The inspectors found Pointson accounts "complicated, and the changes in accounting principles as between the years 1967, 1968 and 1969 bewildering in relation to its short life."

Other items which attracted the inspectors' attention include the treatment of pre-acquisition profits, and recurring evidence that subsidiaries had deliberately reduced their building costs in various years to improve Austin's profits.

A major point of interest for the inspectors is that "Almost from its inception the group had liquidity problems. As the group appeared to exist with this problem without too much difficulty until early 1968, we have not investigated it in any detail prior to that date." However, they quote extracts from letters to give an indication of the problems which existed during the period to early 1968.

Property

From these, they say, "It will be seen that in March 1967 Barclays were expressing surprise that a group which was supposed to be making profits was unable to keep within the overdraft limits. The reason for this was two-fold. Firstly, the original 'London companies' were declining and were not producing the profits which were originally anticipated, and secondly, the group was advancing fairly substantial sums of money in connection with property developments. By March 31, 1967 the group had advanced a total of £27,750 to two 50 per cent. associated companies, Penrhos and Welbay, neither of which showed any return to the group. In addition, Pointson had a total of £57,570 tied up in property developments at March 31, 1967."

References to 'Park Lane' in the letters are in connection with the Park Lane flat, which had been purchased at a cost of

£44,504 for use by E. J. Austin. He had advanced £36,500 free of interest to the group in order to finance the purchase of the flat and it was intended that this should be repaid in quarterly instalments of £2,500 from April 1, 1967. In fact, the entire loan was repaid before April 30, 1968, although the flat was not sold until April 1969. A further flat in Park Lane was purchased at a total cost of £48,000 in July 1969 for use by Bollen. This flat was eventually sold by the Receiver at a loss of £8,780.

The Lantham properties referred to in Bollen's letter of March 4, 1968 were the properties purchased at a cost of £82,000 between January and July 1968 from a company controlled by E. J. Austin. Although these properties produced sufficient income to meet the overdraft interest, the bulk of the properties were resold within eighteen months at a loss of approximately £12,500 to the group."

The inspectors cite an "apparent improvement in the group's cash position between 31st March 1967 and 30th April 1968 of £316,000. However, by 31st March 1968, the group had loans and advances figure of £131,000 at 30th April, 1968 includes £120,000 owing to Slater Walker in connection with share dealings through Sixtybonds so that the improvement in respect of the rest of the group is £438,000. This improvement was accounted for entirely by the acquisition of Willesden on 18th April, 1968."

Assets

In February 1968 Willesden had arranged the sale of the balance of its fixed assets and in March 1968 the net assets of that company, which amounted to £501,000, included over £200,000 cash and Treasury Bills, the balance being represented by £100,000 deferred consideration payable over the period to October 1971 in respect of the sale of certain assets. In March 1968 Austins through Slater Walker, offered to acquire Willesden in exchange for shares in Austin and the acquisition was completed on 16th April, 1968 so that the group position was improved from that date.

"The minutes of 16th April, 1968 resolved that in view of the acquisition of Willesden and Hockton, the accounting date of the group should be extended to 30th April, 1968. If accounts had been prepared at 31st March, 1968 they would have shown a very different position as far as balances at bank and overdrafts were concerned."

From April 1968 the total group indebtedness continued to

## Cavenham to spend £50m on building up Presto discount stores

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

CAVENHAM is to spend £50m. over the next five years on developing its retailing interests. The bulk of the money, much of which will come from closing smaller outlets, is expected to be spent on building its chain of Presto discount stores.

Cavenham's retailing subsidiary, Allied Suppliers, operates 45 discount stores under the Presto name. By 1981, the total will have increased to 140, with 95 stores either being built or converted from some of Allied's larger stores.

The existing 740,000 square feet of Presto sales space will have been more than trebled to 2.3m. square feet and sales are expected to increase from £95m. to £300m. at constant prices.

Smallest

When Cavenham bought Allied in 1972, Presto was one of the smallest groups within the company. Now it accounts for about 19 per cent. of Allied's total sales of £460m. The stores usually have a sales area of at least 10,000 square feet and are similar in concept to Asda supermarkets.

Normally they are built either on the edge of towns or in new

district centres, and operate on gross margins of about 14 per cent. against about 20 per cent. of a normal supermarket. Unlike some discount stores, however, the Presto stores offer a full range of merchandise and do not obviously economise on fixtures and fittings.

The idea is that Cavenham will convert some of its larger stores—most of which with a sales area of more than 8,000 square feet will be considered as possible stores for conversions—and build new stores with sales areas of between 15,000 to 25,000 square feet.

Control

The group does not appear to be interested in building big hypermarkets which some of the other supermarket groups are trying to develop.

Since Cavenham went into grocery retailing in 1971 it has bought 2,723 stores and closed about 1,100. Sales area has increased marginally, with larger stores being opened as the smaller ones shut.





Port row switches to Lords

# Peer defends Felixstowe takeover bid.

BY JOHN HUNT

## Firm pact on NZ butter —Peart

BRITAIN had negotiated "firm and fixed quantities" for New Zealand butter imports at the Common Market meeting of Agriculture Ministers in Luxembourg the previous day, Mr. Fred Peart, Agriculture Minister, told the Commons yesterday.

Mr. Peart said: "New Zealand fully agrees that the settlement takes account of their essential interests both up to 1980 and afterwards."

An arrangement had been agreed to divert butter, if necessary, from the fresh market into food manufacture where imports were in excess of 25 per cent of Britain's butter market in the preceding year.

Mr. Francis Pym, shadow Agriculture Minister, said everyone would be glad that the matter had been resolved. He said the British butter market was now retreating and it was vital to take a look at the EEC dairy surplus.

Mr. Peart said the EEC had agreed that there should be a continuing commitment to the New Zealand market. "I think this is a very good deal for New Zealand. She will be able to have access to our markets in the way she always has."

Mr. Douglas Jay (Lab., Butter) said he asked for an assurance that the decline in imports would not continue after 1980.

Mr. Peart replied that the average imports of New Zealand butter in 1975-80 would be higher than in 1974 and 1975. "I hoped you would accept this and not keep on nit-picking."

He told Mr. Geraint Howells (L., Cardiff): "We had a total obligation in this New Zealand. They came to our aid in a crisis voluntarily. We have now fulfilled the moral obligation agreed at the Dublin summit."

## Lower incomes reference

MR. ALBERT BOOTH, Employment Secretary, yesterday announced to the Commons that he had made the reference on lower incomes to the Royal Commission on Incomes and Wealth.

Last month he informed the House of his intention to make the reference because of the need for a comprehensive and objective analysis of incomes at lower levels, including those receiving social security benefits.

THE BID by British Transport Docks Board to take over the port of Felixstowe had been the target of a barrage of propaganda based on partial truths, half-truths, fantasies, lies and damned lies, Lord Wynne-Jones, the Labour life peer, told the Lords yesterday.

He was introducing the second reading of the British Transport Docks (Felixstowe) Bill—the controversial private measure which enables the British Transport Docks Board to acquire the port of the 150p a shore cash port at the Felixstowe Dock and Railway Company and which was agreed last November.

Following the original bid, however, European Ferries came forward with a higher offer which was accepted by more than 50 per cent of the Dock Company shareholders.

Since then Mr. Keith Wickenham, chairman of European Ferries, has waged a bitter struggle to retain control of the port for the company and to fight off State control.

The battle has now shifted to Parliament and the debate in the Lords last night marked the latest stage. For the Conservatives, the Earl of Gower denounced the measure as "back door nationalisation with a vengeance."

Offer

But Lord Wynne-Jones claimed that an advertisement in a national paper saying that the take-over was "against the wishes of the Felixstowe workforce, shareholders, directors and port users" was not true.

Lord Wynne-Jones added: "One finds that the directors of the Felixstowe Board were sacked and the present directors are British European Ferries. So it is odd to say that they are in favour of this. They are the stooges of European Ferries and were put in by them."

He said that the BTDB had to promote the private Bill in order to acquire the port, and the Bill was presented to Parliament in January. But at about that time European Ferries made a separate offer to the Felixstowe directors and if one were dealing with property, a word like "assumption" would be used.

The Board had said they could not accept the second offer but European Ferries approached the shareholders and by late February had got a majority of them in support. However, he argued, this in no way upset the agreement which had been reached with the BTDB.

Since then a mass of propaganda had been put out and to illustrate his point he held up a full page newspaper advertisement.

ment which claimed that if the Bill were enacted, it would nationalise Britain's most successful port which had been built up by free enterprise.

Lord Wynne-Jones commented: "In the first place this is not a nationalisation act. It is a straight commercial deal between a Board and a company."

The claim that it would reduce competition and drive business to Continental ports was a fantasy for which there was no evidence, he maintained. He worked in touch with the workforce at Felixstowe, particularly the Transport Workers' Union, and they had said they were neutral in the matter.

For the Conservatives, Earl Gower described the Bill as a practical, immediate and living instance of the danger to which British industry and enterprise was being exposed.

Thriving

He thought it was one of the most important Lords debates of the past decade and urged that the Bill should go to a Select Committee "so that we can get the views of the dockers themselves."

He added: "We believe that the case for retention of this thriving concern in private hands is an overwhelming one that it must be heard."

The Conservatives did not believe that the British Transport Docks Board would be in a position to reinforce the competitive spirit within Felixstowe.

The measure was also attacked by the Liberal spokesman, Barnes Seear, who said his party remained unconvinced by his explanation given by Lord Wynne-Jones. She thought it was clear that the shareholders were in favour of European Ferries retaining management of the dock. The success of Felixstowe was beyond question and she called on the Government to treat it as a small private dock.

Port of Hull tonnage falls in May

TONNAGE for the port of Hull during the four weeks to the end of May was 484,804 tons compared with 485,269 tons in the corresponding period last year, according to the Docks Board.

Inward traffic with a total of 263,230 tons shows a decrease of 8,889 tons. Most commodity heads show slight increases, but this is offset by a reduction in 6th landings and petrol cargoes.

Outward cargoes of 171,374 tons show a fall of more than 11,800 tons.

# Callaghan says he will not accept 'holier than thou' Tory attitude

BY JOHN HUNT

THE ROW over Cabinet leaks led to further clashes in the Commons yesterday with Mrs. Margaret Thatcher, the Conservative leader, and Mr. William Whitelaw, her deputy, but on the heels of Mr. James Callaghan, the Prime Minister.

But once again their quarrel ended in a stalemate. Sure-footed as ever, the Prime Minister led them on a false scent by revealing a long list of occasions when the last Tory Government had been the victim of breaches of security.

This brought Mr. Edward Heath, the former Conservative Prime Minister, into the chase. He made the point that although his Administration had experienced leaks, at least the minutes of Cabinet meetings were not published immediately afterwards.

At this, the Prime Minister sagely agreed that such gossamer on were "afterly reprehensible" and promptly bolted in haste by urging MPs to wait their inquiry now being conducted by Sir Douglas Allen, head of the Home Civil Service.

Once again, the Opposition concentrated its attack on the

week-end speech by the unfortunate Mr. William Price, Minister for co-ordinating Government information services. He had declared that there were more "singers" in Whitehall than in the Houses of Parliament and suggested that things had got so bad that the Cabinet might just as well hold its meetings at Hyde Park Corner.

He sat uneasily on the benches behind the Prime Minister as Mrs. Thatcher said that confidentiality within the Government was vital to the conduct of economic policy. Since the Prime Minister's original statement, she said that Mr. Price had made it plain that premeditated leaks ages over a wide range of Cabinet business had been going on for the last 18 months.

There were sarcastic Tory cries of "I bet" when Mr. Callaghan said he had read Mr. Price's speech with considerable interest. However, he thought it a mistake to dwell only on the last 18 months when, in fact, such matters had been occurring for rather a long time.

With a flourish, he produced a list containing occasions of alleged leaks under the last Tory Government and dangled it threateningly before the Opposition.

"I don't think I will read it," he teased the Conservatives. "All I will say is that those who live in glasshouses should not throw stones or they might find trouble."

This warning failed to deter Mrs. Thatcher, who claimed that many people had read Mr. Price's speech. "It was true, then there could be no confidentiality for Cabinet proceedings and no confidence in the country about matters of defence, security and the economy."

You should repudiate the speech entirely," she demanded to Tory cheers.

In his most avuncular manner, Mr. Callaghan told her that this "holier than thou" attitude was not good enough. Reading from his list and giving dates, he referred to Conservative leaks on defence matters in January 1971, two in May 1971, and others in November 1971, March 1972, April 1972 and July 1973. All of them were concerned with defence matters he said.

## Jobless: PM hits at Heath policies

FINANCIAL TIMES REPORTER

IF THE LATEST forecasts that companies will increase investment by 15 per cent next year prove correct there will be "a big consequence" for Government policy, Mr. James Callaghan, Prime Minister, told the Commons yesterday.

Ministers had faced demands for economic policy changes from both sides of the House during exchanges about the June employment figures which Mr. Callaghan admitted were "acceptably high" and which he termed "a shocker" for the Government. Ministers described the figures as "very good."

But while Mr. Prior called for changes which would support private industry and restore confidence required for the investment needed to provide more jobs, left-wing Labour backbenchers made demands for import controls and more State aid for hard-hit industries.

Mr. Callaghan reiterated his view that the cutting of public expenditure now would lead to additional unemployment. He made that position clear after time and have space of the dilemma which will face this country next year in 1977 when it is expected that investment will increase very considerably thanks to returning confidence.

He then went on to refer to forecasts that companies hope and expected to increase investment by 15 per cent, as stressed. "It is so, that will have certain consequences for Government policy."

Mr. Callaghan angered Conservative MPs by contending that the unemployment figures were the consequence of economic policies followed by the Heath Government which allowed the monetary system to get out of control.

It was important, he said, the country should overcome inflation, make full use of opportunities for training young people, and get the unemployment figures down as low as possible.

Earlier, Mr. Eric Heffer (Lab., Walton) complained that the June unemployment figures showed that Government policies were not matching up to the needs of the situation. He called for a statement on the measures which the Government intended to take to deal with this crisis rather than a repetition of platitudes.

Mr. Albert Booth, Secretary for Employment, agreed that measures so far taken were not sufficient. "We must go on, see if we can devise more effective measures and a more effective economic policy," he said.

He also maintained that the increase in the level of public expenditure which had been attacked by the Opposition was shown to be justified because had helped to keep the most important figures at a level below what they would otherwise have been.

# Nearly 22,000 votes expected in ballot for Liberal Party leadership

BY PETER HENNESSY, LOBBY CORRESPONDENT

BALLOT PAPERS for the election of a new Liberal leader were sent out yesterday to 500 constituencies. Nearly 22,000 votes will be cast in the election which will be held in the electoral college and adding on Prof. King will then calculate how many votes in each constituency will go to each candidate.

If all goes according to schedule, the result will be known by 8 p.m. on the evening of Wednesday, July 7. In the event of a tie, the new leader will be elected by a secret ballot of the 13 Liberal MPs.

Mr. John Pardoe yesterday added to the self-confident braggadochio which has characterised his campaign so far by predicting that two-thirds of the party activists would support a party which would win a majority in the House of Commons.

Mr. Pardoe's candidacy was endorsed yesterday by Mr. Trevor Jones, known as Jones the Vote since his great success in organising Liberal by-election victories three years ago.

Support for Mr. Steel was forthcoming from Mr. Roger Ham, president of the Young Liberals, who described him as the best man to lead the party out of its political wilderness into which it had drifted since the General Election of February 1974.

A constituency's quota of votes will be determined by dividing the total votes cast in that constituency by the number of votes in Scotland and the West Midlands. Support for himself and his rival, Mr. David Steel, was most finely balanced in London and the South East, he added.

Mr. Pardoe, the party's spokesman on economic affairs, said that if he had had the chance to apply his energy and talent to the Chancellorship of the Exchequer, the country might be in a different position. His bravura style would become that of the Liberal Party once he was its leader.

MP bids for qualified chiropodists

ANYONE WITH scissors, nailfile and disinfectant could set up in private practice as a chiropodist, Mr. John Corrie (C., Ayrshire, N and Bute) told the Commons yesterday.

A first reading was given to his Bill which requires chiropodists to be qualified.

Professors Supplementary to Medicine Act 1960 (Amendment) Bill which, he said, would mean that "in future, the public would know everyone practising chiropody has qualifications recognised by statute."

Describing the Bill as "an important step forward," he said it would require all chiropodists in private practice to be enrolled or registered with the Chiropodists Board.

He added that he appreciated that it was unlikely his Bill would be given Parliamentary time to become law during this session of Parliament. If so, it would be reintroduced in the next session.

Premium Bond announcements

REVISED arrangements for making Premium Savings Bonds prize announcements are being introduced.

With the July monthly draw, the £75,000 and £25,000 prize numbers and locations will be issued to the media at 9.30 a.m. on the third working day of each month—for immediate release. Up to this month, the major prizes have been announced on the first working day of each month, but the full prize list has not been announced until the 20th working day. Under the new system, all winners will be notified by the 18th, instead of the 20th, working day of the month.

The new arrangements result from application of automatic data processing to office procedures.

## ROTHERHAM BY-ELECTION

# Sympathy for Labour's problems

BY PHILIP RAWSTORNE

THE GOVERNMENT looks to Rotherham's well-steel support to-morrow to restore its edge in the Commons.

Mr. Michael Foot visited the town last night to sharpen the final by-election victory that should enable him to cut through the obstacles to the Government's Parliamentary programme with the guillotine.

Labour candidate, Mr. Stan Crowther, is already under orders from the Government whips to attend the Commons on Monday.

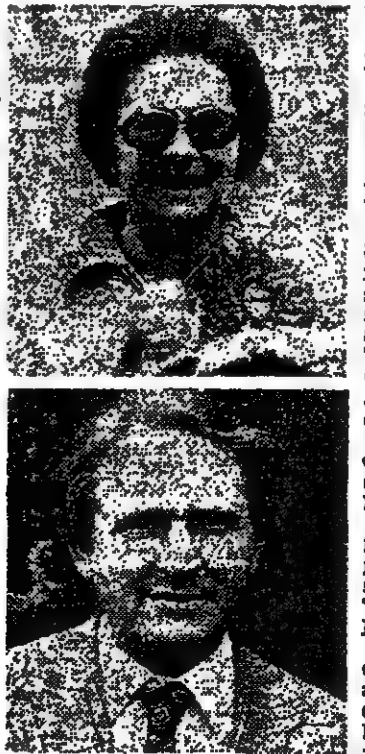
With a 17,000 majority in the last General Election and 30 years of scarcely interrupted allegiance to the Labour Party, there is no doubt that the town will reaffirm its faith in the Labour Government.

Mr. Crowther's only worry is the size of his winning margin. Such a foregone conclusion may tell too many supporters into foregoing their votes. Certainly, nothing else remotely threatens to disturb Labour's command of the situation.

The last local elections confirmed Labour's continuing rule and the town seems to sit comfortably under its all-embracing concern. Nationalised steel dominates the industry; council estates and new civic buildings impress the landscape; municipal



Three of the candidates. Left, Mr. Stan Crowther (Lab.). Top right, Miss Beth Graham (Liberal) and below, Mr. George Wright (National Front).



ham ratepayers faced with a bill of at least £15,000 for the 1,200 police on duty.

In the town centre later, the Front's candidate, Mr. George Wright, a Yorkshire builder, found nothing but restrained hostility among the shopping housewives for his "Keep Britain White" slogan.

Mr. Doug Hinkley, the Sheffield businessman, who represents the Tories, has steered a careful course through such controversies. "A man of action," his leaflets proclaim. "I want to get government out of our pockets, out of our homes and off our backs," he adds energetically.

Mr. Hinkley stands for efficiency, incentives and square deals. "Don't understand me?" he asks constantly. He wants to be an MP because he feels that many people with practical experience of industry should serve at Westminster. "Let's get some fresh air into Parliament."

To this end, his loudspeaker cars sing catchy appeals, to the apparently unresponsive voters, council tenants are offered vague hopes of buying their houses, and any youngsters who want more jobs and less tax are, to their astonishment, congratulated for his "Keep Britain White" slogan.

Like Mr. Hinkley, Miss Beth Graham, a Yorkshire lecturer and veteran of three Parliamentary campaigns, who represents the Liberals, is finding it difficult to get a foot in the door of the Labour stronghold. She may have problems in holding the party's 5,350 votes let alone threatening Labour's security.

She has been well supported by Liberal MPs and believes that the publicity of the party's leadership election has helped her chances. A Pardoe supporter and enthusiast for his aggressive style, her own campaign has been marked more by detail than declamation, fastening on to real or imaginary grievances with Town Hall bureaucracy.

"Let Beth know of any particularly dirty sports," her pamphlets appeal. "If you've got problems with electricity or gas bills, contact Beth."

Miss Graham stands also for a Yorkshire Parliament—and Mr. Robin Atkinson, a Yorkshire

## CANDIDATES

Mr. Stanley Crowther (Labour)  
Mr. Douglas Hinkley (Conservative)

Miss Beth Graham (Liberal)  
Mr. George Wright (National Front)

Mr. Robin Atkinson (English Independent)  
Mr. Peter Bishop (World Grid Sunshine Room)

October 1974 result: E. K. O'Malley (Lab.) 25,874, R. A. Hambro (C) 8,848, V. Bottomley (L) 5,350. Lab. majority 17,824.

restaurants and a Department of Amenities and Recreation providing everything from theatre to trampolines mark the quality of life.

Civic pride even runs to slogans on the beer mats. "In the first century, the 8th Roman Legion built the first road link to the north. To-day, the Highways Committee."

Mr. Crowther, a former

## Invitation for tenders for leasing the Island of Gan and facilities thereon by the Government of Maldives

Gan Island where the Royal Air Force maintained a staging post has now been vacated and was handed over to the Maldivian Government at the end of March 1976. Gan Island is in Addu Atoll which is about 13 miles wide and 8 miles long, with a total land area of 10 square miles.

Gan Island is a fully developed satellite town with transit and living facilities for 700 persons including a transit hotel with indoor and outdoor recreation facilities which include a 15 hole golf course, swimming pool, tennis, squash and badminton courts, a gymnasium and excellent sailing facilities.

Gan Island has several individual messes and club houses with full catering facilities. The well equipped runway is 8700 ft long and was used by the RAF to land VC10 jet aircraft transporting troops and civilians. The airfield

conforms to ICAO standard and there is a fully equipped medical centre. The Island's electrical power generating capacity is about 2.5 megawatts.

It would be possible to connect the Islands in the Atoll by inexpensive causeways.

The photograph shows the general layout of the Island of Gan.

The Maldivian Government now invites offers or proposals from those interested in leasing the Island of Gan and facilities for any purpose considered reasonable and those interested may submit offers in writing to the undermentioned, to arrive on or before 31st July, 1976.

When applying it is essential that the applicants disclose who they are. The Maldivian Government will notify applicants about inspection of Gan and the facilities and thereafter negotiations of a formal lease agreement.

The Director  
Foreign Investments Division  
Department of External Affairs  
Male  
Republic of Maldives

مكتبة الأصيل



# The Management Page

EDITED BY JOHN ELLIOTT

Following Mr. Wedgwood Benn's energy conference, David Fishlock reports on the work of Government sponsored scientists now touring companies to help save power

## A 'thrift' campaign for industry

SINCE EARLY this year about two dozen scientists have been visiting manufacturing companies in the U.K. asking awkward questions about the way they are using energy. Their hosts are all members of the CBI, chosen with the help of the Department of Industry. The visits are restricted to a single, so that the scientists can see as many companies as possible in the next two or three years. Their observations are being used to help the Government to decide on the extent to which waste energy prices have been increased in particular the smaller manufacturing and how easily many of them can cut their energy bill.

If there is one topic on which the energy people matter what agree it is that policy Britain may adopt, must feature prominently in any plan for Britain to replace once its North Sea supplies begin to dwindle. Nothing else, this fact will emerge clearly from the final energy debate in London to-day by Mr. Anthony Wedgwood Benn, Secretary of Energy.

Manufacturing industry uses a little 40 per cent. of the energy consumed in the U.K. for this reason alone must be a prime target of energy conservation. Three energy conservation schemes have already been launched by the Department of Industry, and more are being planned. The first, a public spending scheme, is aimed at the energy conservation of the manufacturing industry.

The second, a well-publicised "thrift" campaign of the Department of Energy. Another energy audit scheme from the Department of Industry focuses on the more extensive industries, trying to find just where the energy is being wasted.

The third, and most important, is the energy thrift scheme. This is the next two or three years to spot the energy-wasting areas in as many as 9,000 manufacturing companies—one of the manufacturing companies in the U.K.

The energy thrift scheme—the name was chosen for its analogy to Victorian virtues—has three over-riding objectives: to cut the nation's energy bill; to save energy without cutting away at productivity; and to increase in profit and to satisfy at shop-floor level areas of common difficulty in conservation.

The Department of Industry has chosen as prime contractors for this scheme eight industrial research associations, which are familiar with the way they are using energy. Their members can gain access to factories more readily than a "Man from the Ministry". Moreover, membership of the research associations is strong among the smaller companies which are particular targets of the thrift scheme.

Typical of the eight prime

the terms of the thrift scheme to making a one-day visit to each company. No more than two people participate in each visit, which may involve a site employing anything from 25 to 10,000 people. Companies are selected by the Government's thrift officials in collaboration with the CBI and so far companies have proven willing to receive RAPRA.

For the company itself there can be an immediate feedback—for example when the visitors

imbalance in the use of electricity. Yet the power factor can be corrected automatically with relatively simple electrical equipment, which RAPRA has calculated can be amortised in less than a year.

The heart of the energy thrift scheme, however, is not instant advice for companies willing to welcome advisers, but a pool of experience on which the Government itself can draw. This could be used to provide general advice on energy con-



## TUC and CBI take stock

BY JOHN ELLIOTT

IT IS NOW nine months since the British TUC formally acted on its new-found co-operative attitude towards the EEC and sent eight delegates to Brussels to attend the monthly plenary meeting of the Common Market's main consultative body, the Economic and Social Committee. Ironically, bad weather delayed the arrival of the first high-powered TUC delegation—led by Mr. Len Murray, the TUC general secretary, and Mr. Jack Jones of the Transport Workers Union—until the following day.

And ever since TUC leaders involved have been in two minds about whether they regard the committee as a mere "talking shop" or as a potentially valuable weapon.

Their attitudes are significant because they will influence how the EEC's consultative processes develop and therefore how much influence the TUC—as well as industry and other interests—manage to develop over European affairs. To this end, both the CBI and the TUC are now reviewing their experiences on the committee and are considering whether they want to reform it from within, radically change its constitution, or allow it broadly to continue as it is while they develop a more potent arena for wielding influence elsewhere.

In this context, to-morrow's tripartite EEC conference on employment in Luxembourg is especially significant. It has come about partly as a result of TUC influence. It brings together employers, unions and Government Ministers and is thus much closer to the world in which the TUC is used to operating, especially since the Government's of the Nine are fielding economic and not just labour Ministers.

The CBI on the other hand does not appear to rate the Luxembourg type of event at the same level and is correspondingly more interested than the TUC in the Committee, where there is, however, no Government representation. Instead there are 144 delegates from the Nine in three groups—employers, unions and other interests. It forms an advisory body to the European Commission and the Council of Ministers which have to consult

it on matters in various fields such as agriculture, employment, social policy, nuclear affairs, transport matters and a host of other items. Each time it is consulted the Committee draws up an Opinion but the main criticisms from the UK delegates are that the Opinions are only sought after the main decisions have been taken and that little can usually be achieved without staging a big enough political protest to generate widespread publicity (although Mr. Jack Jones has had some success in a detailed battle on lorry tachographs).

Generally, therefore, it is regarded as a talking shop for minutely detailed affairs, although it has a right to initiate an Opinion on its own and did so earlier this year when Mr. David Bassett of the General and Municipal Workers acted for the TUC in the Committee and launched an initiative on employment problems that helped to generate to-morrow's Luxembourg debate.

TUC arrived last autumn, the British delegates comprised the employers group—centred around the CBI and led by a veteran international trade negotiator, Mr. Clement Heneker Heaton—and a "various interests group."

These other U.K. representatives were chosen partly because they could devote enough time to the Committee—up to 80 days a year for some—as delegates handling detailed consultations. Men like Murray, Bassett and Jones, however, have too many other commitments to do this so the TUC's original decision to field a high-ranking team in order to show that it intended to treat the EEC seriously has meant that its part in the Committee's affairs, even on matters such as industrial democracy. (The fact that the Committee's monthly plenary session coincides, on the fourth Wednesday every month, with the TUC's general council meeting does not help.)

The TUC is therefore having one of its headquarters staff appointed as a representative and this coincides with a CBI view that there is scope to improve the quality and knowledge of the committee's members and to increase the members' involvement in drawing up the committee's opinions.

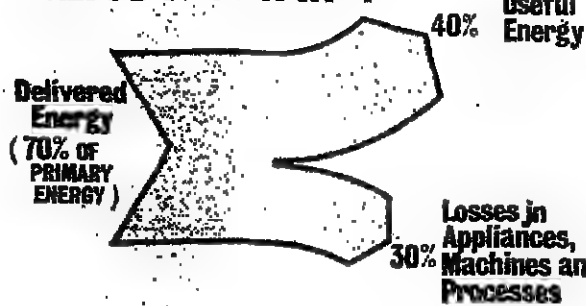
Both the U.K. employers and unions also feel that the Committee is far too large and that it should develop more punch. But both seem to accept as well that there are many vested interests in the Committee—as well as legal restraints contained in the Treaty of Rome. The line that seems likely therefore to emerge from their current review of the Committee's work is a joint view that there is little chance of wholesale reform, but considerable scope for useful detailed changes. At the same time TUC will cast around for another institutionalised forum where they can bring direct influence to bear on Governments in Europe—possibly seeing to-morrow's type of tripartite conference as a way of developing a European-style National Economic Development Council.

## New impetus

There seems, however, to be little dissension among almost all those involved in the Committee's affairs that it has not emerged into the key centre that was originally envisaged for the interests of the European Community to come together. But the increase in the size of the EEC from six to the Nine is now leading to a possible new impetus to two levels. First, the Committee itself is trying to improve its method of operation and relationships with other EEC organisations. Secondly, the creation of the European Trades Union Confederation and the entry, however reluctantly, of the TUC into European affairs is leading to demands for an institutionalised method for unions—and consequently employers—to talk to Ministers.

The CBI, on the other hand, is not so frustrated as the TUC and looks set this year to notch up an advance by having one of its delegates—Mr. Basil de Ferranti—elected chairman of the Committee. Until the

## TARGET OF ENERGY THRIFT



Part of the U.K.'s efforts to save energy, under Mr. Anthony Wedgwood Benn (right), is aimed at conserving the 30 per cent. lost in manufacturing appliances, machines and processes. Since another 30 per cent. is lost earlier during conversion and transmission, only 40 per cent. as present is "useful."

contractors is the Rubber and Plastics Research Association (RAPRA), a laboratory for polymer processing near Shrewsbury, with a total budget of about £1m. a year. Its director, Dr. William Watson, has developed it since the late 1950s into a technology centre deeply embroiled with the chemical process industry.

An example of energy waste already brought to light by RAPRA's investigations in recent months is the use of boiling water to clean chemical process plant. It sounds trivial—until one works out the cost of heating reaction vessels of 10,000-20,000 gallons capacity to boiling, perhaps as often as twice a day. "I don't think that I can recall a single attempt to recover this heat," says Mr. Alan Eagles who is in charge of RAPRA's energy thrift activities.

Another common factor found among the smaller companies, says Mr. Eagles, is lack of awareness of energy tariff schemes and the choice available to industry to help minimise their energy bills. RAPRA has made a fair number of specific recommendations here. But Dr. Watson is highly critical of the complexity of energy tariffs, which can easily result in the consumer paying a higher tariff for the "privilege" of using more electricity.

This anomaly highlights the significance of what is called the "power factor"—effectively the efficiency with which the electricity is being consumed, which can be severely reduced by the kind of equipment the manufacturer is using. A low power factor boosts the consumer's electricity bills. RAPRA has discovered instances where the power factor had fallen as low as 75 per cent. which, says the contractor is limited by Mr. Eagles, is a "very serious

One of the difficulties is that although the heat is relatively high-grade, the water will be contaminated. No manufacturer wants to risk cross-contamination of products. The same problem arises, RAPRA's studies have shown, in drying products, when the hot air extracted will also be contaminated with traces of the product and therefore cannot be recycled as warm air. The contractor is limited by Mr. Eagles, is a "very serious

For this reason the Government promises both anonymity of the information provided—it will not be used, for example, to the disadvantage of a company found profligate in its energy use. The company is also given a sight of the final report before it is fed into a Government computer.

Within this computer, the data on thrift will be married with that from the energy audit scheme, also being conducted by the research associations, in which attempts are being made to understand energy flow within the factory.

But behind the brevity of RAPRA's thrift scheme visits stands a more fundamental study of energy flows in the

conservation in industry, and to guide its policies on further research and the "Save It" campaign.

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## BUSINESS PROBLEMS

BY OUR LEGAL STAFF

### Seeding up liquidation

IN June, 1969 I put a small company into liquidation, which has not been completed. Currently it is held up by the District Valuer, who has had in his office for 18 months the question of the value of fishing. Can you suggest any way in which, after seven years I can put pressure on him to bring the liquidation to a conclusion? Do you think the fact I have registered has any bearing on the matter?

### Trade association tax relief

I think I read an article in the Financial Times to the effect that a trade association could now claim a rebate from the Revenue for current losses or accumulated losses regardless of the previous profit and loss situation, on

liamentary Commissioner. A letter to the District Valuer and the Revenue asking for their each year at the prevailing rate observations as to why this case of corporation tax. Have I got should not be put forward to the MP for the constituency in which the members of the company still resident in England reside (or, if none so reside, used to reside) may produce a response. We do not think your migration would have any bearing on the matter.

The terms of the current standard extrastatutory arrangements between the Inland Revenue and individual trade protection associations are set out in form 181/CI (1974). A copy of this form should be obtainable from the local tax inspector's office.

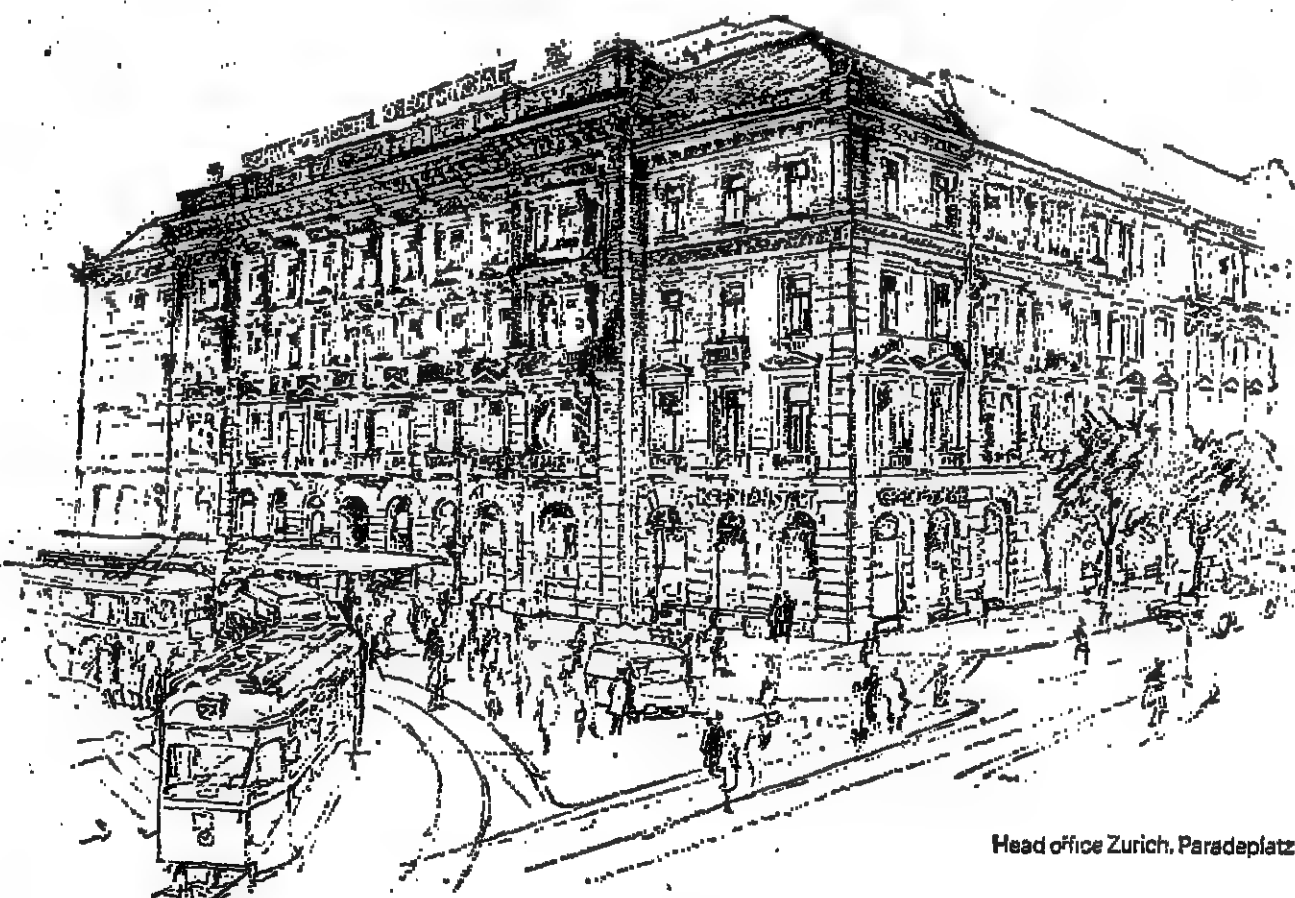
The point which you probably have in mind is that, following the introduction of the imputation system of corporation tax, the arrangements for relieving a deficiency against earlier surpluses were altered and relief is now given at the rate of corporation tax appropriate to the year of setoff. Under the previous arrangements (embodied in form 181/CI (1966)), relief was given, broadly speaking, at the standard rate of corporation tax in force for the year in which the deficiency was incurred. The details are contained in paragraph 7 of each version of the form 181/CI.

### Two contract notes

I have just purchased two fixed interest stocks, one local authority and one industrial. Why does the contract note for the former give the price, plus 15 days, while the latter gives the price only? For capital gains tax purposes, do I have to deduct the accumulated interest from the purchase price?

A letter on this point which was published in the Business Problems column on December 3, 1975, under the heading "Tax on Savings Bonds Dividends." The difference between the two contract notes is merely the result of differing Stock Exchange practice and it has no significance for the purposes of capital gains tax or income-tax. In each case, the cost of the stock (including expenses) is the amount you actually paid, that is, the final figure on the contract note. The gross amounts shown on the counterfoils of the interest warrants will be fully taxable in your hands, without any adjustment for the element of accrued interest reflected in the purchase prices (explicitly or implicitly).

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered, by post, as soon as possible.



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WEDNESDAY, JUNE 23, 1976

## Italy's chance to do better

THE RESULTS of the Italian general election may be briefly summed up as follows: the smaller parties did badly, the Christian Democrats did relatively well, but the Communists did even better. Even the largest of the smaller groupings, the Socialists, did no more than maintain the 9.8 per cent share of the vote which it captured in the previous election in 1972. The Christian Democrats, on the other hand, held steady in spite of everything at 33.7 per cent, while the Communist share went up from 27.1 per cent to 34.4 per cent.

## Socialists

It is immediately clear from the figures that the possibility of some kind of Popular Front Government is not. The Communists, Socialists, Radicals and Proletarian Democrats, between them won just under 300 of the 630 seats in the more important Lower Chamber. The old centre-left alliance of Social Democrats and Republicans won 346. That leaves the Communists once again on the Christian Democrats to form a Government—either by seeking to revive the centre-left formula or, if that cannot be done, by a minority administration on their own.

Plainly, wooing the Socialists will not be easy. The Christian Democrats fought, and won a success of a kind, on a relatively Right-wing platform. Many of their leaders will not want to put it into reverse merely to bring the Socialists back into Government. Nor will the Socialists necessarily be in a mood to respond. They did more than any other party to bring about the election at this stage. They hoped to increase their vote and emerge as the arbiter of Italian politics. Having failed in that, it is more likely that they will engage in a period of recriminations rather than re-embrace a formula which did them little good in the past.

Yet, whether the Socialists come in or not, the task of the Christian Democrats is clear. They have been given one more chance, arguably a final chance, to bring in new faces, to shed their image of corruption and

## Trend

As for the Communists, the results are the best they could possibly have hoped for, even if they could not say so openly. The Party has increased its power without any corresponding increase in responsibility. By staying out of government there will be none of the complications with Italy's allies of the kind forecast by Dr. Kissinger. The prospect of new elections is close enough to prevent internal wrangling and Sir. Berlinguer may fairly say that he increased not only the Party's share of the vote, but also its claim to respectability. Looking at the trend of the past few years and the results today, the Communists indeed look very well placed to do even better next time. That possibility alone ought to be sufficient to persuade the Christian Democrats to take advantage of the opportunity they have gained.

## Accounting to the community

THE Government's discussion paper on the aims and scope of company accounts is a strange mixture of tentativeness and determination, of realism and airy ambition. Its starting point, like that of the Accounting Standards Steering Committee in "The Corporate Report" published last year, is that few people would nowadays dispute the view that companies have responsibilities to employees and to the community in general as well as to shareholders and creditors, and that these may call for the disclosure of more information. The problem is to decide what that information should be, and the paper begins with the general principle that company reports should contain information which is of general public interest, leaving more specialised information to be supplied in different ways.

The accountants came up with seven new types of information which they suggested might be included in company reports. Two of these—money dealings with Government and transactions in foreign currency—are now dismissed out of hand, and social accounting as such is said to be a matter in which the law cannot at present play a significant part. That leaves as the main candidates for further consideration a statement of added value, a report on employment, a statement of future prospects, and another on corporate objectives.

## Half-baked

A statement of added value, such as many companies already include in the explanatory statements issued to employees, may have its educational value and the only real objection to be raised against its inclusion in the annual report itself is that it might serve to distract attention from profitability (when properly measured) as the ultimate yardstick of a company's performance. A report on employment matters would be useful, but is mainly of concern to employees and unions and should probably be distributed to them rather than included in

Michael Dixon discusses if the Treasury is wrong to urge higher fees for foreign students

## The argument over fees for foreign and U.K. students

OFTEN on a Sunday afternoon a young man from one of the African countries stands up in Hyde Park and makes a speech. In it, he names numerous other Africans who, while studying in Britain, addressed the crowds at the Speaker's Corner and later went home to become the leaders of their countries. "Now you will understand why I come here to speak and study," he says. There are many others like



Jomo Kenyatta, President of Kenya, and once a foreign student at LSE.

him. The present estimate is that about 60,000 students from various overseas countries are attending British universities and the polytechnics and colleges of our further education system. In total, they make up roughly one in every ten of the full-time student population, and in return for their tuition they pay fees averaging about £320 a year, compared with a charge of £140 for British students.

In this, today's overseas students differ from Jomo Kenyatta and their other celebrated predecessors. Only ten years ago the fees charged by the State institutions of post-school education were the same both for British and for foreign

nationals. In 1967, however, the Labour Government imposed a change. The long established principle of fee-parity was abandoned, and the largely unwilling education system was pressed into charging about £250 for each member of the overseas contingent, while fees for the British stayed at about £80 to £75 a year.

Even though the fees charged by the institutions are not necessarily paid by the students of the estimated present total of about 60,000, roughly half are in the 44 U.K. campus universities, which have a large measure of control over their own affairs although they are subject to financial "persuasion" by Government by way of the University Grants Committee. The rest are mostly in the polytechnics and further education colleges which draw their funds from the local education colleges. How many overseas students are accepted for any particular course is mostly a local decision.

The intakes have apparently risen all round. They have gone up among the sub-degree courses in the colleges, which account for about 31 per cent of the overseas total, and among the bachelor-degree courses in universities and polytechnics, which account for roughly 37 per cent. But it is at the postgraduate, higher-degree level—which accounts for the other 29 per cent—that the increase has been most marked.

The number of foreigners taking the expensive postgraduate programmes in the 1975-76 academic year is estimated at 16,539 in universities, with about 500 more in other institutions such as polytechnics. So in the university sector, there has already been a 13 per cent increase in the number of postgraduate students from overseas over the two years since 1973-74—the latest year for which it is possible to break down the numbers by the subjects studied, and on which the table with this article is based.

As the figures show, overseas students have taken over a noticeably increased share of the full-time postgraduate population in almost every group of subjects. The only declines in their share between 1972 and 1974 were in pre-clinical medicine and dentistry, and clinical medicine, for which home demand has of late been increasing strongly. But this enthusiasm among British youngsters to train as doctors is sadly in sharp contrast to their at best stagnant demand for courses in other studies with a direct bearing on work outside the education system. Indeed, given the further increase in numbers from overseas in the past two years, it seems likely that our university postgraduate programmes in engineering, and other technologies, including agriculture are all now producing more manpower for the economies of overseas countries than they are for our own.

In the circumstances it is surely only right for Government to start asking whether such a haphazard supply of education to foreigners at fees which represent only a small fraction of the cost, is something that this country can any longer afford. But the obvious answer—a firm and resounding "no"—is not necessarily the right one.

## POST-GRADUATE STUDENTS IN UNIVERSITIES

SUBJECT GROUP	1971-72		1972-73	
	Total students	% from overseas	Total students	% from overseas
Clinical dentistry	134	47.8	140	55.0
Veterinary science	154	43.5	174	53.4
Agriculture and forestry	854	47.1	839	52.1
Technologies other than engineering	1,398	41.3	1,326	49.8
Engineering	4,887	36.8	5,203	47.2
Clinical medicine	1,246	44.5	1,544	44.2
Mathematics	1,859	27.4	1,951	38.2
Architecture and town planning	754	26.7	985	35.3
Social studies	4,791	32.2	7,721	35.2
Arts	5,838	33.9	6,728	37.8
Other medical and health	677	38.2	728	37.8
Physical science excluding maths	6,105	21.3	5,866	28.9
Combination subjects, miscellaneous	726	26.6	763	27.7
Business management	1,751	17.8	1,667	24.6
Biological science	3,024	21.4	3,084	26.2
Pre-clinical medicine and dentistry	338	25.2	327	27.8
Other professional studies	201	18.9	291	18.6
Education	7,553	7.9	838	31.2
TOTAL	44,492	26.6	53,838	31.2

For one thing, the overseas students who are attracted by the subsidised fee-levels bring into the country large sums of foreign exchange to pay for their living costs. Moreover, detailed calculations suggest that the amount they pay into the public purse by way of indirect taxes on purchases during their stay here, outweighs the British taxpayers' contribution towards the cost of their studies.

In addition, the increased numbers of foreigners are to many instances merely taking up already existing student places which would otherwise have gone unused. So, in practice, the actual extra cost of accommodating many of the overseas contingent is small.

But even though the British economy may already be more than breaking even on the deal, there is no doubt that it could do considerably better. Even before the recent decline in sterling, the trend of overseas demand for student places seemed strong enough to bear a material increase in fees. True, fees in competitive Western and other countries would then be lower, but students' living costs in most of them would be higher, and the others mostly do not have the advantage of the English language—which is now undeniably the "business language" of the world at large, and seems now to be overtaking French as the medium of international diplomacy. Given such bullish prospects, and the desire to trim the public expenditure of which the education system accounts for more than £8bn. a year, it is not surprising that the Treasury has called on the universities and other post-school institutions for steep increases in fees for foreigners, by report to levels of up to £2,000 a year.

This call was answered by the united opposition of the Department of Education and Science

and virtually all the educational bodies concerned. While numerous eminent educators and others continue to be fiercely hostile, however, the Government remains divided on the issue, the education system has now shown that it is willing to compromise. In essence its terms are that it would be willing to institute increases in fees, but only if the 1967 change of principle is reversed so that, from October 1977, the fees charged by institutions are the same both for home and for overseas students.

The body through which this possible compromise has been suggested is the Committee of Vice-Chancellors and Principals of the U.K. universities. But the scheme evidently has the support of both the Department of Education and Science and the University Grants Committee, and could be extended in principle to the polytechnics and colleges funded through the local authorities.

From October 1977, the vice-chancellors suggest, the university fees should be set at £250 for undergraduates and £450 for full-time postgraduates, regardless of the country from which they come. At undergraduate level, the new fee would represent a reduction from the previous average for the overseas contingent, and would probably produce a considerable growth in demand. So as a counter, the vice-chancellors recommend the establishment of a quota for the total number of foreign students to be admitted in any year to this country's university sector.

For British students, however, the proposed new fees (which would not be charged for students who began their courses before 1977) would represent a big increase. So, to avoid adding perhaps the last educational straw to the financial burden of many middle-income families, the vice-

chancellors' committee recommends a raise of the limits of parental income above which families are exposed progressively to contribute to the cost of their children's post-school studies.

This compromise scheme undoubtedly will consider the extra foreign exchange gained by the Treasury under the proposed fee changes, but it is surely far less than would be obtained by setting the uniform fees at national higher levels—so as to meet the need for a quid pro quo wide compensating income.

Def for British families through the parental income tax and for poorly-off aspirants from foreign countries. The vice-chancellors' scheme against the higher fee because these would increase the proportion of the university income dependent on the number of students they attract, and so make the income to fluctuate from year to year. At present, the proportion is only about 10 per cent. The proposed fee changes, when calculated so as to be at about that figure.

Given the country's need for extra earnings from abroad, would certainly not be a hearted of the Cabinet. It finally announces a decision on the fee issue, just before the summer—to ask the educational institutions to accept a bit more certainty in their financial planning for the sake of the considerably bigger to the balance of payments.

And, who knows, the market pressure imposed on universities by a greater dependency on fee income, might create their responsiveness to the needs of our industrial and commercial concerns with increasing sceptical about the value of a British higher-income families, the vice-

## MEN AND MATTERS

## A French connection

If proof were needed that internationalism is the name of the game these days in merchant banking then it is provided by the appointment of a Frenchman, Jean Pierre Frayse, as executive deputy chairman of Guinness. Mahon from August 1. Currently the bank has Sir Charles Villiers as executive chairman, but he is due to move on in September to take up the chairmanship of the British Steel Corporation.

Frayse does not reckon to succeed Villiers as chairman. ("I strongly believe that a British Bank should have a British chairman.") But there is every possibility that the next chairman will occupy a non-executive role, thus leaving Frayse as the effective boss.

Should that be the case then Guinness Mahon is likely to become much more of an international merchant bank, drawing heavily on the international trading contacts and business of its parent company Guinness Peat. Frayse, 45, may believe in internationalism as far as chairmen are concerned but he is convinced that the future in merchant banking rests in inter-country deals.

Frayse comes to Guinness Mahon from Lloyds Bank International where he was the director responsible for the merchant and investment banking division. It was his success in building up this side of LBI that attracted Guinness Mahon, and although he was not "head-hunted" as such, the move was negotiated through "mutual friends."

Frayse is cautious about his approach to the Guinness Mahon job—although he nearly committed himself yesterday to criticism of some U.K. merchant banks for concentrating too much on domestic business. He reckons he will spend up to

six months getting the feel of the bank before he takes any major policy decisions. "There are great dangers in moving too fast," he says. "I move fast—but only when I am sure of my ground."

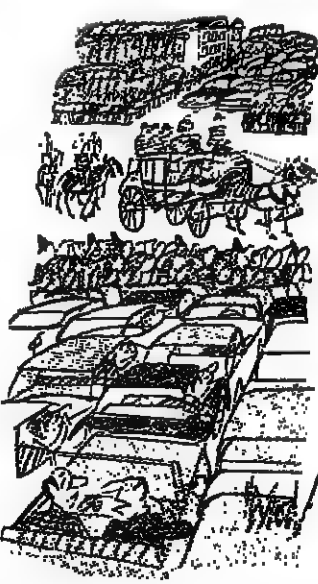
## Tempo, suits and attitudes

Whatever he might think of the British economy as a former Finance Minister, Valéry Giscard d'Estaing, the French President could hardly fail to be struck by the pacy and almost impeccable military ceremonial which greeted him today at Victoria Station at the start of his state visit to Britain. Much more impressive than during his recent state visit to the U.S., where H. Giscard was dumped rather unceremoniously on a White House lawn in a helicopter.

Whether he was equally impressed by the rendering of the "Marseillaise" by the band of the Grenadier Guards is another matter. Apparently unaware of the instructions given by the President in his own country that the "Marseillaise" should be played at a slower and more dignified tempo than has been the previous practice, the Guards band played it at the fast rhythm so beloved of French rugby crowds, who finish singing it long before the music has stopped.

Further interest was caused by the sight in the welcoming party of Anthony Crosland, the new Foreign Secretary, in a lounge suit, while everyone else, including the Prime Minister, was wearing the prescribed morning dress or uniform with decorations.

Crosland, no doubt, took his cue from President Giscard himself, who posed for his official photograph after his election in a lounge suit, a much-criticised innovation in France, and who likes wearing green dinner jackets.



"Stopping 3,000 tennis-mad Englishmen from getting to Wimbledon is no way to improve the Entente Cordiale."

out of luck yesterday. His diplomatic move to further Anglo-French relations fell flat since the President had bowed to protocol on this occasion by wearing morning dress.

The French Presidential visit has been accompanied by the usual spate of "insights" by French journalists into the host country.

The special correspondent of the ultra-serious "Le Monde," for instance, discovered that Britain now had a climate which compared favourably with that of the Costa Brava, enabling Londoners in beach-wear to sunbathe on the "aristocratic" lawns of Regent's Park and the more proletarian grass of Hyde Park. More surprisingly, the same observer found that consumer prices were now regally going down? Not regular for a country which, according to the French press, was permanently shrouded in fog and

had a rate of inflation of 15 per cent. only yesterday. Maybe state visits are useful after all.

## Another wet joke

Smith, wealthy but a bit unworried, finally achieved membership of his highly exclusive local golf club. On his first visit he invited the captain for a drink. The captain accepted, but also suggested that Smith should refrain from parking his rather ordinary saloon car in the club car park.

The next week Smith brought his Rolls, parked it next to the captain's, and offered the captain a drink. The captain accepted, but suggested they should have it in Smith's car. Reluctantly Smith admitted that his car had no bar.

To cut a long story short, the following week it was lack of a chauffeur that caused Smith to be put down by his club captain, and the week after that it was the fact that he had no telephone in his car. Having repaired all these omissions Smith was being driven to the golf course when he spotted the captain's Rolls in front of him in the traffic. Confidently he picked up his phone, rang the captain, and suggested that they should have a drink when they got to the clubhouse. "Very well," came the terse reply, "but please, Smith, next time don't bother me while I'm in the bath."

(If you don't get the headline you didn't read yesterday's column.)

## Ah! Promises...

I quote from a staff magazine: "I hope this article has given you useful information about how to deal with everyday plumbing troubles in the home. Next month I will go more fully into sewage."

Observer

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# Italian politics, but with a difference

THE MOST STRIKING feature of yesterday's Italian General Election was that it did not appear. The Christian Democrats did not lose their post-war position as the largest single party in Italy and the Left-Wing coalition, which could have paved the way for a far-left government, was reduced to a minority. The Christian Democrats, who had lost 10 seats in the 1972 election, emerged as the largest party with 38.1 per cent of the vote, compared with 38.9 per cent in 1972.

All the smaller parties lost a considerable number of seats with the exception of two newcomers to the new Parliament, the extreme Left Wing group, Democrazia Proletaria, and the Radical Party which obtained ten seats between them.

As a result the composition of the new Parliament reflects a much greater degree of polarisation in Italian political life, and makes the formation of a new Government with a workable majority highly problematical.

In numerical terms the only conceivable form of coalition to put together a workable parliamentary majority remains the much maligned centre-left formula under which Italy was governed, with increasing disappointing results, from 1963 to 1972. This formula of Christian Democrats, Socialists (PSI), Social Democrats and Republicans (PRI) could still count on a comfortable

## Midwife

But the re-emergence of the centre-left as the only conceivable form of majority government, if Communist or neo-Fascist participation continues to be excluded, brings us back to the central dilemma of Italian politics. This is the fact that Italy has been essentially ungovernable for the last two years, because the Socialist Party rejected the political validity of continuing the centre-left coalition. On the basis of the divorce referendum result in May 1974 and the Left-Wing advance at the regional elections last year, the Socialist Party declared the centre-left

coalition dead and buried and insisted that it would only re-enter a new government if the Communist Party were either a member or gave its parliamentary support. The party's congress earlier this year called for the formation of a broadly based coalition government including both Christian Democrats and Communists as its short term objective with the declared long term aim of arriving at a form of Left-Wing alternative Government which would consign the Christian Democrats to an opposition role.

In order to achieve this the Socialist Party first played a major role in bringing these early elections about and then went into the campaign with an appeal to the electorate to cut the Christian Democrats down to size and increase the votes of the Socialist Party. In this way it hoped to be able to act as a midwife and honest broker between the two main camps.

Today those ambitious hopes lie in ruins. The PSI lost the ground it gained in the regional elections last year and has returned to the 9.6 per cent of the vote it gained in the 1972 elections, but with four seats less than in the last Parliament. At the same time the re-formation of the Christian Democrat Party and the 7.3 per cent vote points rise in the share of the Communist Party means that far from becoming a major protagonist it has sunk to an even more subordinate position vis-à-vis the two political majors. The net result of all this is almost certain to mean a period

## ITALY'S CHAMBER OF DEPUTIES

Party	1972	1976	Diff.
DC	12.9	38.7	25.8
PSI	9.0	27.1	18.1
PCI	3.2	9.6	6.4
MSI	2.9	5.7	2.8
MSD	1.72	5.1	3.4
PL	1.3	2.9	1.6
PLI	0.95	2.8	1.9
Dem. Pro.		0.55	0.55
Rad.		1.1	1.1
Others		4	4
	430	430	

Glossary:	
DC	Democrazia Cristiana
PSI	Partito Comunista Italiano
PCI	Partito Socialista Italiano
MSI	Movimento Sociale Italiano (monarchists and neo-fascists)
MSD	Partito Socialista Democratico (Social Democrats)
PL	Partito Liberale Italiano
PLI	Partito Repubblicano Italiano
Dem. Pro.	Democrazia Proletaria (extreme Left-Wing grouping)
Rad.	Partito Radicale—civil rights group (Radicals)

of anguished soul searching and a bitter leadership struggle with a party which is bound to feel an even deeper inferiority complex towards both the Christian Democrats and the Communist Party.

Overcoming this is likely to demand an almost superhuman degree of generosity and understanding on the part of the Christian Democrat Party in particular, if the Socialist Party is to be drawn back into a new form of centre-left coalition. It will require political skill of the highest order.

But this highlights the fact that the undoubted political victory obtained by the Christian Democrats at this election, against all the odds, has in fact placed them in an extraordinary delicate situation. They fought the election campaign by playing on the Italian electorate's fear of communism,

its fears of the possible internal and international repercussions of a Left-Wing victory, explicitly sought out votes from the neo-Fascist area and called in the big guns in Vatican anathema and international opinion. The latter undermined the possible negative effects of a Left-Wing victory on Italy's relations with NATO and the EEC and the likely consequences of the intersection of the Italian election results and the elections in West Germany and the U.S. Leading Christian Democrat candidates also held out the prospect of a new form of Marshall Aid for Italy if democracy was saved in Italy and warned that credit would be cut off if the Left-Wing parties won.

It has proved to be a highly successful strategy to which credit must go to party president, Sign. Amintore Fanfani and the Prime Minister, Sign. Aldo Moro, the leading strategist of

the campaign. The other side of the CD campaign personality, Sign. Benigno Zaccagnini, was the promise to "renew" the party, retire the old and corrupt and promote the younger generation leaders.

But having won the election the CD party now re-finds itself with the principal responsibility for forming a government, and face the enormous economic and social problems of the country. From a new Parliament which contains a significantly strengthened Communist Party and weakened minor parties which are deeply resentful of the way in which the CD Party's campaign tactics robbed them of their own electoral support.

It appears painfully obvious that under these circumstances the only way in which the CD Party will be able to put together a viable Government is to use its reconfirmed strength with extraordinary ingenuity.

That is to say that this power-oriented party will have voluntarily to give up a disproportionate part of its power in terms of ministerial posts to precisely those smaller parties, and especially the Socialist Party, who have emerged as the losers from this election.

But this is asking for an extremely high level of political sophistication from a party which has won the election by appealing to the moderate and Right-wing element of the Italian electorate and by putting forward a series of new candidates who themselves will now be looking for a satisfying political career, precisely in the kind of posts which, if this analysis is correct, will have to go in large part to the minor parties as the price of putting together a Government.

On the most optimistic assessment therefore, assembling a

viable Government is likely to take a considerable amount of political skill and time. In the interim period the most likely immediate outcome of these elections is the reformation of some kind of temporary Christian Democrat minority Government, similar to the one led by Sign. Aldo Moro which governed Italy before the elections. But even this is going to take a measure of consensus from the other parties, including the Communist Party.

## Energies

But politics does not exist in a vacuum and now that the elections are over the Government, of whatever kind, will have to tackle, *inter alia*, the extremely critical economic situation and the problem of how to reduce the public sector deficit and increase the efficiency of the public administration. Indeed a whole series of measures are urgently required to correct the structural imbalances in the Italian economy, modify the inflationary aspects of the threshold payment system, raise productivity and investment. All this will require a broad level of agreement on specific issues between the Government, the trade unions, business and the opposition.

It is at this level that newly elected Christian Democrat Sign. Umberto Agnelli, for example, has proposed a *contrattazione* (process of consultation) particularly on economic public and other parties. This was also the intention of Republican Party leader, Sign. Ugo La Malfa, who tried to get such a discussion off the ground prior to the election.

Indeed one of the positive effects of this election is that many of the new candidates put forward by all the major parties

as independents have been elected. These include businessmen like Sign. Agnelli, communists like Communist Independent Sign. Luigi Spaventa and Christian Democrat Independent Sign. Gaetano Stagnitti, former chairman of the Banca Commerciale Italiana. The hope is that the new Parliament will benefit both from fresh energies and professional competence. But it remains to be seen just how successful such men are in replacing some of the well entrenched party veterans.

But it is also clear that the substantial increase in votes and seats of the Communist Party will demand a new kind of relationship between Government and Opposition in the new Parliament. The Communist Party's view, confirmed by Party Secretary Sign. Enrico Berlinguer, is that this election confirms the central role of the "Communist question" in Italian life. The party has continued to increase its attractiveness in a growing section of the Italian electorate and its reputation for efficient organisation and honest administration. Some way has to be found to tap the energies and resources of a party which now represents over one-third of the Italian electorate. The Communist Party line is that this can best be achieved through the creation of a broadly based government of national unity on the West German *Gross Koalition* lines, until what a term the national emergency situation is over.

This Christian Democrat Party can be expected to resist by calling for a *contrattazione* between the Government and the P.C.I. on specific issues while maintaining the formal dividing line between Government and Opposition. Whether this dividing line can be maintained indefinitely remains to be seen.

## Letters to the Editor

### Deferred tax accounting

From Mr. K. Beecroft

As you reported on June 18, pressure that is being put on Accounting Standards Committee to suspend its standard on deferred tax accounting. Suspension of the standard would only be the issue of how the Government is to pay the tax. It is not, my view, a matter to be decided by the Government.

I do not understand why I am assumed to exploit the false assumption that "it is the duty of the creditor to seek out his debtor." It is not a matter of duty, but a necessity. It is regrettable, but nevertheless true, that if debtors are not consistently brought under review, the length of credit taken will tend to expand.

M. Forman, Randolph House, 46-58, Willemsley Road, Croydon.

### Muddling with metrification

From Mrs. M. Needham, President, Scottish Housewives' Association

Sir—We would applaud the letter from Patrick Hether (June 18). It is not often that the sun shines on a public issue. It is supported by a Press editor when that voice disagrees with top people. Patrick Hether's steady efforts to back the general public's conflict with bureaucracy and his business interests over the issue of metrification is cheering.

Those who would push metric units on the domestic markets of Britain would have this country and its people into an ever greater muddle. The many changes in our day to day affairs in the past ten years—most of them quite unnecessary and very expensive—have undermined public confidence: constant change always does.

Metric units by order would mean that the shopping public would face two sets of units in daily use indefinitely. Such an imposition could only make metric units predominant; they cannot be the sole unit of measure—not in the foreseeable future. There is a fine example of "going metric" in engineering—after about 20 years the public needs four sets of spanners (A.F. and B.S. plus metric) when doing mechanical repairs. Continental cars (from so-called metric countries) use some imperial units: the Continentals themselves cry "leave us the dozen" because metric is no good for packing. As for planes—to gauge their landing by metres is much too dangerous. It is good old imperial feet that are used, yes, even in Orly Airport in Paris.

Those who call for metric measures for domestic use surely lack common sense. What wisdom is there in imposing on the shopping public the gram? It is about half the size of a dram and we in Britain discarded the dram generations ago, because it was too small for daily use. Margaret Needham, Drungrun, Edrom, Duns, Berwickshire.

### Productivity undefined

From Professor D. Bell

Sir—I was interested to see Mr. Hether's letter (June 11) on the difficulty of agreeing a definition of productivity. It is like to take to task Dr. Jelle Zijlstra, the president of the Bank for International Settlements, for, among other things, the

indirect labour (for example, management) in connection with wage bargaining there is a tendency to consider only the ratio of output to direct labour, but this is easily shown to be fallacious. If one ignores the effect of capital it seems reasonable to eliminate bought-in materials and services by using the statistic of "added value per employee," which is available from the Census of Production. But I have used this statistic in an inverse sense to compare the relative scope for technological improvement in different industries.

Where value added per employee is high (for example, oil refining) we have a capital intensive industry in which output is not primarily dependent on the efforts of the employees; but where the figure is low we have a labour-intensive industry where the added-value per employee can probably be improved more by improving production methods, often requiring the use of more capital, than by any increased effort by the employee.

I followed up this idea some years ago by visiting a firm in an industry with a low added-value per employee. The management's response to my suggestions for some minor pieces of mechanisation was that "it would change the nature of the company." Perhaps we ought to give more thought to the kind of company we want in British manufacturing industry. D. Bell, Electronic Engineering Department, University of Hull.

### Partnership taxation

From Mr. C. L. Turner

Sir—There are two errors in Mr. Pursey's letter of June 12, which if left unanswered cause chaos and confusion in accountants' offices and inland Revenue (Sb.D.) departments. Apart from taxpayers themselves!

First of all he is implying that "April 31" does not exist in any other part of the country anyway! Secondly, his addition of total profits is hopelessly out—it should read £147,000—not £120,000. His total adjusted tax profit is £140,000, which gives the final score that the partnership is going to pay tax on £4,000 less than it has earned—not on £23,000 more as he states.

C. L. Turner, White Horse, Anderby Road, Chapel St. Lechnards, Skegness, Lincs.

### A new Bretton Woods

From Mr. F. Courtney

Sir—I really must take two gentlemen to task. The first one, Mr. F. Courtney, who is responsible for publishing the NEDO Monograph (June 15) No. 5 comparing the U.K. and West German manufacturing industry 1964-1972. This is plain nonsense and quite irresponsible nonsense. If due account is taken of the German inflation rate compared with the U.K.'s between 1964 and 1968 and the relative exchange rate between 1968 and 1972, the figures look entirely different and more in keeping with the facts. There is absolutely no difference in the efficiency and productive capacity of the industries of the two countries concerned.

The second gentleman I would like to take to task is Dr. Jelle Zijlstra, the president of the Bank for International Settlements, for, among other things, the

1968 is the real rate of return on capital has declined. Wages and salaries have risen at the expense of profit. Business has reduced capital outlay. Government has taken a growing share of GNP. Growth of productive capacity and therefore real growth has declined. Note he is talking about global developments and not just about the U.K. He did not tell us the reasons for this state of affairs, although these are quite obvious and can be put right at once, if the power that be want it to happen.

International liquidity has to be improved by means of chronic surplus countries introducing policies, which would get rid of those surpluses. They must not be allowed to be used in an effort to enslave the rest of mankind. Secondly, interest rates must be improved to encourage development.

Those two prerequisites are the only possible solution to the problem. Everything else is hypocrisy. Equally it is useless to increase the price of the advanced countries' manufactured goods in order to counteract the increased price of oil, in order to pass the burden of the increase in the underdeveloped countries, who cannot possibly carry that burden for long without either going bankrupt or else increasing their price of whatever raw materials they have to sell. The only real and lasting solution is to cut out chronic surpluses by means of a newly negotiated Bretton Woods-type agreement.

The alternative must be the collapse of capitalism, because when the chips are down, no major country will allow its productive potential to be foreign owned. F. Courtney, 96, Sandown Court, Southampton

### Post Office profits

From The Chairman, Telecommunications Managers' Division, Institute of Administrative Management

Sir—Sir Donald Kaberry is reported to have said on the radio ("Today," June 10) that if the Post Office makes a profit overall the present situation—where telecommunications subsidize post—should be allowed to continue. It seems he favours pegging postal charges, or even reducing them, at the expense of telecommunications.

The Post Office gets most of its telecommunications profit from business and few firms would agree that artificially low postal charges compensate for high telecommunications tariffs. Offsetting losses in one area against profits in another is unfair and hides inefficiencies. We would like to see the post and telecommunications organisations completely separate in order that this malpractice, which hinders the development of telecommunications, does not occur. G. N. F. Case, 205, High Street, Beckenham, Kent.

### Disconnection powers

From Mr. C. Bell

Sir—Apropos Mr. T. Sutton's suggestion for the protection of prompt payers of gas and electricity accounts (June 21), would it not be simpler for the authorities concerned just to allow an appropriate discount for payment within, say, 14 or 28 days?

C. Bell, Theophyllis Cottage, Bloch Heath, Staines (also June 15). "In the Guildford, Surrey

## To-day's Events

GENERAL: President Giscard d'Estaing of France addresses members of both Houses of Parliament, followed by lunch at Downing Street and talks with Government Ministers.

Mr. John Vorster, South African Minister, meeting Dr. Henry Kissinger, U.S. Secretary of State, in Eastern Bazaar. Meeting of the TUC general council.

Meeting of Labour Party general council meeting on move to expel Sir Reginald Prentice, Minister for Overseas Development.

Mr. Mahmoud Ayoub, Syrian Prime Minister, meets his European counterpart, Mr. Mameoud Salem, in Riyadh, for talks on the Lebanese crisis.

PARLIAMENTARY BUSINESS: House of Commons: Development Land Tax Bill remaining stages.

Commons Select Committee: Expenditure (Environment) Subcommittee, Subject: Planning procedure. Witnesses: Department of the Environment, Expenditure (Social Services) Subcommittee, Subject: Preventive medicine. Witnesses: Faculty of Community Medicine Society and Society of Community Medicine.

House of Lords: Debates on needs of the elderly, and on

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House of Lords: Debates on needs of the elderly, and on

implementing decisions of the summit conference of the European Communities in December 1974.

OFFICIAL STATISTICS: New vehicle registrations (May).

COMPANY RESULTS: London and Overseas Freighters (full year), Tesco Stores (Holdings) (full year).

COMPANY MEETINGS: Bristol Estate, 21, Ely Place, E.C. 1, 12.15. Dixor, Epsom, 12. Estate Duties Investment Trust, 91, Waterloo Road, S.E. 1, 10.45. Harris Investment Trust, 14, Great Tower Street, E.C. 3, 12.

EXHIBITION: British Army Equipment, Aldershot (overseas traders). ROYAL OPERA HOUSE, Covent Garden. Gala performance of Verdi's *Un Ballo in Maschera* in honour of President Giscard d'Estaing of France, 8.15 p.m.

London and Lenoxx Investment Trust, 2, St. Marys Ave, E.C. 1, 11.30. Nippon Tube, Birmingham, 12.30. Panto (P), Embourne, 12.30. Succombe Marshall and Campion, 7, Birchall Lane, E.C. 3, 10.45. Sheffield Tyres (Holdings) and Steel, Sheffield, 12. Towell, Manchester, 12. Trust Union, Winchester House, 230, Wade (Charles), Oldbury, Warrley, 10.30.

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# COMPANY NEWS + COMMENT

## Associated Leisure profit up to £1.77m.

AFTER £1.13m. against £1.06m. for the first six months, pre-tax profits of Associated Leisure came to £1.77m. for the 32 weeks to March 14, 1976, compared with £1.39m. for the previous 44-week period. Turnover was £13.24m. against £10.73m.

Earnings are shown at 3.42p (2.9p) per 5p share and the dividend permitted 2.45p (1.97p) net with a final of 1.336p.

The figures do not include results of Stannards Leisure, as accounts are not yet available. The liquid position of the company remains strong with cash and short-term deposits at March 14, 1976, amounting to over £2.5m., members are told.

### comment

A high yield and strong cash resources provide the main attraction for investors in Associated Leisure. The group's earnings growth prospects are excellent in the short term, with year-on-year profits rising by 10% per cent. (annualising the previous year's figures) and there seems little scope for any more significant growth this year from the existing entertainment interests. At 2.71p the yield of 14% per cent. looks generous, however, and even though the group is apparently having some difficulty in finding new entertainment areas in which to diversify, while its present cash balance of £2.5m. provides some extra support for the shares.

## £4.8m. by IDV at halfway

From sales of £13.63m. against £12.04m. before tax of International Diversifiers and Vintners rose from £3.87m. to £4.79m. in the six months ended March 31, 1976. For 1974-75, turnover was £23.57m. and pre-tax profit £9.89m.

The group is a subsidiary of Grand Metropolitan.

Turnover of Associated Leisure 1975-76 £13.63m. 1974-75 £12.04m. Profit before tax 1975-76 £4.79m. 1974-75 £3.87m. Dividend 1975-76 2.45p 1974-75 1.97p

### INDEX TO COMPANY HIGHLIGHTS

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## Bulmer & Lumb upturn

Worsted spinners, Bulmer and Lumb (Holdings) reports an upturn in 1975-76 profits from £341,442 to £624,412 for the year ended March 28, 1976. First half profits were down from £245,099 to £200,000.

Stated earnings per share are 3.8p (3.5p) and the net dividend is 1.4047p making a total of 2.3974p. A total not less than the previous year's 2.3333p was forecast.

The current year has started well and should prove to be the best for some time, the directors say.

Trading profit was £1,070,111 (£1,050,111) after deducting £200,177 (£190,177) in respect of an increase in stock reserve due to fluctuations in wool prices and after adding £48,000 (£40,000) for anticipated loss on contracts on hand no longer required.

The tax of £203,000 for the year includes £200,000 Corporation tax on the profits of the year payable January 1, 1977, and the balance of £3,000 represents £207,000 deferred taxation less an extraordinary credit for notional advance corporation tax offset against prior year profits. ACT payable in 1976 on the 1975-76 dividends amounts to £118,000.

Turnover 1975-76 £14,111,111 1974-75 £13,111,111 Profit before tax 1975-76 £1,070,111 1974-75 £1,050,111 Dividend 1975-76 3.8p 1974-75 3.5p

comment

Bulmer and Lumb's stock reserve adjustments, designed to even out major profit distortions caused by wool price fluctuations, have

this time disguised a sharp upturn in genuine trading profits. Stock profits certainly contributed to the increase of nearly 21 times to about £1.3m. at this profit level. But a revival in demand in the second half which put the group back on full-time working was the main boost which produced a better than forecast pre-tax rise over the year following a 54 per cent. jump in the last six months. The sudden turn-around from the depressed first half (including a nearly 21 point rise in margins) was also enhanced as production capacity came into fuller use and as less profitable activities were shed. The group should continue to benefit from the economic recovery overseas and, even if the U.K. remains flat, a pre-tax rise in current year profits of a similar order to last year's is on the cards. Meanwhile the stock reserve is at a comfortable £200,000. After a 3p rise yesterday, the shares at 30p yield 13.8 per cent. where the p/e is 7.5.

## Advance by Evans of Leeds

ON REVENUE UP from £1.53m. to £1.82m., property investors and developers, Evans of Leeds lifted pre-tax profits from £605,040 to £727,159 in the year to March 31, 1976, after £273,108, against £238,038, for the first half.

Net profits for the year were £482,348 (£287,234) and stated earnings rose from 3.30p to 4.35p per 25p share. The dividend is effectively lifted from 1.95p to 2.1148p and with a gain of 1.3948p.

The directors say that gross rentals continue to improve.

comment

Ellerman More optimistic

Ellerman More yesterday produced a more optimistic view of this year's prospects than was

outlined in the chairman's report published in May. Chairman, Mr. Dennis Martin-Jenkins told the annual general meeting that the original assessment had proved to be pessimistic. "We shall, I think, certainly produce a result which is equivalent to last year," he said.

Pre-tax profit for 1975 was £8.8m.

## Tecalemit up 52% to £1.18m.

PROFITS before tax of Tecalemit rose 52 per cent to £1.18m. for the year ended March 31, 1976—a record for the group and in line with the forecast of more than £1m. made at the time of the rights issue earlier this year.

The chairman, Mr. N. Bennett, says the vastly improved results followed the restructuring of the group in December 1974. On the current year "we aim to do even better and subject to the usual proviso, stockholders can expect a further improvement in profits", he says.

Adjusted earnings per share are 7.3p (4.9p) and as forecast the net final dividend is 1.85p making a total of 2.925p on increased capital compared with 2.93p previously.

Turnover for the group, which covers fluid transfer, lubrication systems, garage equipment and combustion engineering, was some 13 per cent higher at £21m.

Direct exports and sales arising overseas were up by £1.01m. to £8.33m. and accounted for 41 per cent. of group turnover.

Largely as a result of the rights issue and medium-term loan, the bank overdraft was reduced by £2m.

comment

The 32 per cent. pre-tax increase at Tecalemit is in line with the rights issue forecast, and the impetus gained in the second half, when profits rose 73 per cent., is likely to carry the company to further growth in the current year. The shares rose 3p yesterday to 45p where the p/e is 3.9 and the yield 10.4 per cent. covered 2 1/2 times. Except for the lubrication division, which remains flat, all divisions are enjoying increased demand. Order books are higher than a year ago, with the garage equipment side making good headway. The German subsidiary and its Australian operations continue to improve. Meanwhile, interest charges should fall further; borrowings are down half. Already, in the first two months of the current year, profits have shown further growth.

### DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Allied Breweries	1.12	Sept. 24	1.02	—	32
Assoc. Leisure	1.94	—	0.92	2.44	1.97(b)
Beechwood Construction	1.16	—	1.11	1.66	1.53
Bradford Property	2.77	—	2.57	5.54	5.11
N. Brown	1.68	July 30	1.68	2.51	2.51
Bulmer and Lumb	1.4	—	1.21	2.33	2.33
Country Constn. Assn.	13.26	—	12.06	13.26	12.06
Evans of Leeds	1.31	—	1.31	2.11	1.94
Hambros	5.18	—	5.4	7.73	7.1
Henlys	1.75	Aug. 10	1.75	—	5.36
Home Brewery	0.7	June 30	0.7	—	3.7
I.C. Gas	4.86	Aug. 13	4.05	7.98	6.73
Incedon & Lamberts	2.54	Aug. 12	2.31	3.32	3.04
Irish Distillers	1.76	Aug. 24	1.53	0.59	0.52
Leeds Rubber	0.59	—	0.59	0.52	0.52
Plessey	1.27	Jan. 1	0.87	4.4	3.02(a)
Plessey	0.93	Jan. 1	1.13	—	4.4
Powell Duffryn	4.59	Sept. 1	4.27	7.08	6.59
Property Hldg. & Invest.	3.32	July 20	3.14	3.32	4.89
Rights & Issues Inv.	1.66	July 20	1.66	1.66	1.66
Rembia Rubber	0.33	July 20	0.32	0.33	0.32
Tecalemit	1.85	July 31	1.93	2.98	2.98

Dividends shown pence per share net except where otherwise stated. (a) For 9 months. (b) Equivalent after allowing for scrip issue. (c) On capital increased by rights and/or acquisition issues. (d) For 9 months. (e) For 44 weeks. (f) Gross throughput.

## Henlys better than expected

TURNOVER, EXCLUDING taxes, of car dealers Henlys rose slightly from £27m. to £28.25m. in the half year to March 31, 1976, but pre-tax profits fell from £593,000 to £343,000.

Mr. Gordon Chandler, chairman, says that trading was substantially better than anticipated and profits declined by only 37 per cent. As anticipated, considerable savings in interest costs were achieved and these are expected to continue.

Shortage of supply of vehicles from the principal manufacturer, especially in the higher price range, has been the principal cause of the downturn in profits.

This was particularly severe in the December quarter representing an estimated loss of £50,000 turnover with the inevitable effect on the results for that period.

Although profits for April and May approximate to the same level as 1975, it is difficult to predict the outcome for the second half, he tells members.

However, group borrowings are running well below the level of last year, there is an improving supply position, and new Rover and Vauxhall models are being introduced. He is further encouraged by the slowing down of inflation, as this will assist efforts in containing costs.

Used car profits are being well maintained against a marginal fall in volume, but petrol retailing is passing through a fiercely competitive trading period, resulting in a sharp drop in margins. Construction equipment contract hire service and part divisions, from which consistently substantial contributions are expected, continue to hold steady.

Self-financing is being shown to be down from 2.7p to 1.7p per 20p share. The interim dividend is held at 1.75p. Last year's total was 1.75p.

comment

Henlys has managed to better its forecast, aided by a £100,000 drop in depreciation because of the curbs in its hire fleet, and the £220,000 reduction in interest charges. New car sales have been very depressed, with volume down by more than a fifth, while the used car market has also been quiet. With a heavy bias towards the top end of the Leyland range, Henlys' sales have been suffering more than most, though the short-term hope is that the introduction of a new Rover range this summer will inject new life into the business. If Leyland can maintain a continuous flow of the new Rovers, Henlys may be able to stem the profits slide and show an improvement over the corresponding period in the second half. Possibly annual profits will be down after a drop of about a third in interest charges to £300,000. The shares at 60p are on a p/e of 9.1, but there is an obvious drop in a yield of 12.5 per cent. though the profits performance of the past three years is hardly inspiring.

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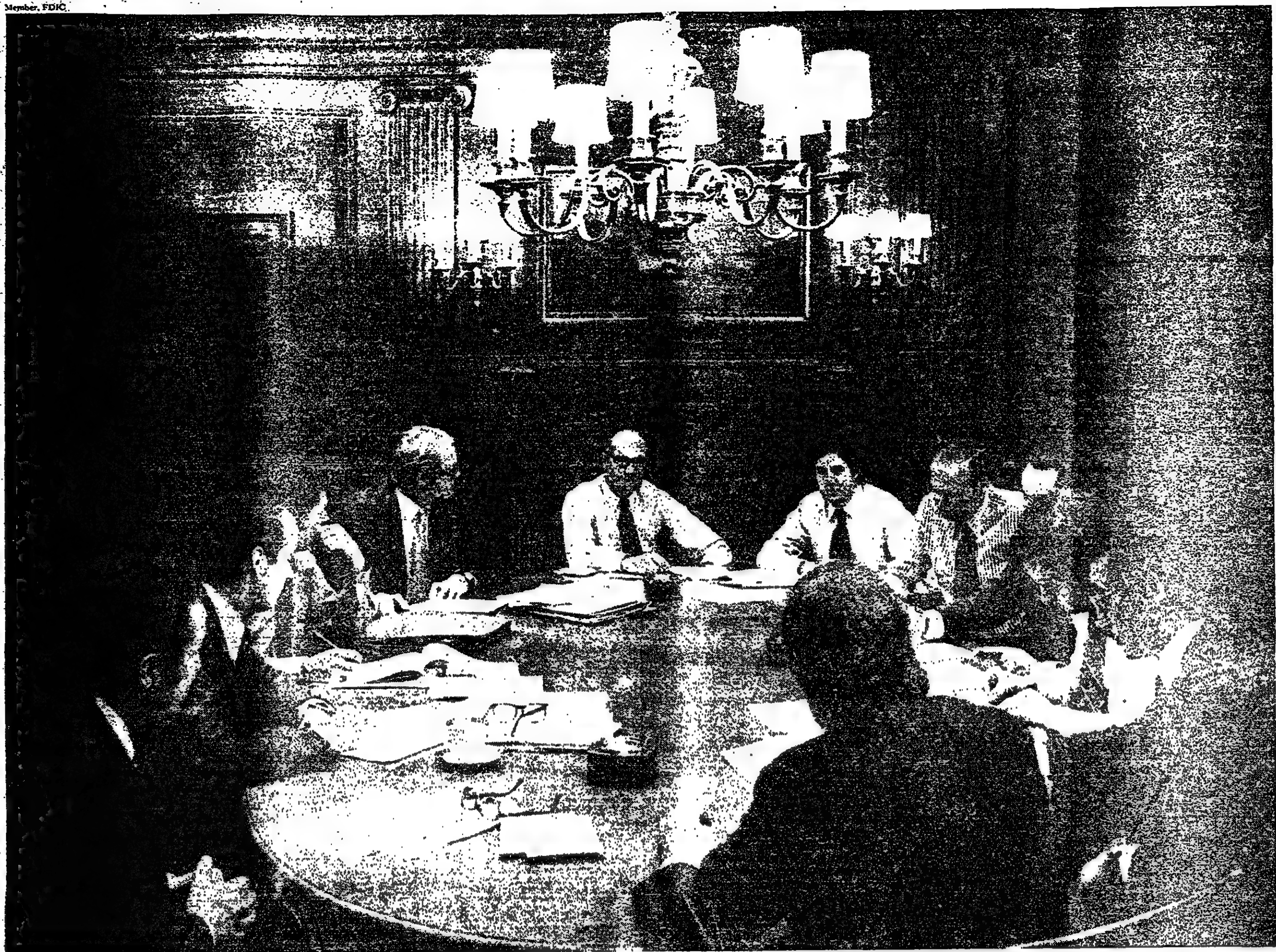
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Frequent meetings of Morgan officers from around the world are held in major financial centers. In New York Senior Vice President Robert Hill (center) discusses latest international banking developments with heads of the bank's representative offices.

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## DERITEND

### GROUP ACTIVITIES

Manufacturers of hot drop forgings and pressings in ferrous and non-ferrous metals, investment castings, and special purpose machines. Electrical installation and repairs and electrical surface heating.

### RESULTS

Year Ending	Feb. 1976	Feb. 1975
Total Group Sales	18,534,000	18,078,000
Profit before Tax	1,232,285	1,860,284
Profit after Tax	818,204	785,812
Ord. Dividends per share (Actual)	8.2p	7.6p
Earnings per share after Tax	25.2p	32.0p

### MR. C. W. PERRY REPORTS

"There are now indications that the recession has reached the bottom and that trade is beginning to improve... We have continued to invest in new plant and equipment at our usual rate of expenditure and should therefore be in a position to take advantage of any increase in demand... Assuming the Government's counter-inflation policy to be successful, I am confident that steady growth will result throughout the group."

Copies of the full Statement and Accounts can be obtained from the Secretary.

THE DERITEND STAMPING COMPANY LTD.  
Bridge House, Station Road, Rowley Regis, Warley,  
West Midlands.

# Downturn of £2.31m for Plessey results hit by redundancy costs

A DECLINE in pre-tax profit from £15.5m to £13.2m, as announced by Powell Duffryn for the year ended March 31, 1976 after £13.2m (£14.82m) in the first half—in November last year the directors said it was unlikely that the company would achieve the previous year's record.

Now, the chairman, Sir Alec Ogilvie states that as regards current year, any improvement in overseas trade will clearly help shipping interests, and the other divisions are also budgeting for higher profits. A great deal will depend, as usual, on the economic conditions prevailing in the second half but, as viewed at this early stage, "their mood is one of optimism."

Before extraordinary items stated earnings per 50p share were down from £1.5p to £1.8p—a final dividend of 4.384p net raises the total from £1.16p to £1.09p, the maximum allowed.

After setting aside £1.2m, to cover extensive reorganisation of the French building services contract, group reserves at year-end stood at £36.9m (£34.7m).

Sir Alec says the shipping division had a rough year, as a result of three other divisions were also down. However, the remaining divisions contributed additional profits of nearly £2m, thus limiting the overall fall in the group's trading profits to just under £2.3m. The reorganised French subsidiary, Sofec, achieved a satisfactory increase in direct exports by

### BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purposes of considering dividend and other matters.

**TUESDAY**  
Anglia Television, Carlton Investment Trust, Leyland Palace, Walsby, London, Multi Securities, Transocean Investment Trust.

**WEDNESDAY**  
Anglia Television, Carlton Investment Trust, Leyland Palace, Walsby, London, Multi Securities, Transocean Investment Trust.

**THURSDAY**  
Anglia Television, Carlton Investment Trust, Leyland Palace, Walsby, London, Multi Securities, Transocean Investment Trust.

**FRIDAY**  
Anglia Television, Carlton Investment Trust, Leyland Palace, Walsby, London, Multi Securities, Transocean Investment Trust.

group companies at £33.5m, and sales of goods were up by £3.7m, 41 per cent. higher than for previous year.

### comment

Powell Duffryn is a fifth lower pre-tax. But last year's two major gains were largely due to a one-off sale of a subsidiary, which had started 1975-77 in better shape and it begins to look as though the current year can manage to make a useful profit recovery. The £1m setback in shipping, where the port services contributed roughly half the £67.8m return, was largely offset by a one-off gain of £1.2m, which was not included in the year-end figures. The year-end PD reckons its rate experience in bulk carriers has begun to improve. The engineering side is expected to stay relatively buoyant thanks to export demand and the currency bonus, and last year's "overseas" profits might well have topped a quarter of the group total before interest. The £1.2m gain in the year-end figures was not a problem, having cost £4.1m in provisions in two years. But PD's balance sheet can take that sort of strain in its stride, and at 127p the share price is up 8.5 per cent. covered 2.6 times.

## Hambros turns in £5.22m.

NET PROFIT before extraordinary items of £5.22m, as announced by Hambros Bank Ltd. for the year ended March 31, 1976, was a significant improvement on the £3.2m of the previous year.

Banking and investment banking contributed £4.8m, to net profits compared with £2.8m, associates produced £1.1m, against £1.0m, while loan charges and minorities absorbed £3.9m (£1.95m).

Earnings are shown to be up by 68 per cent from £4.53p to £7.62p per 25p share, as the dividend is lifted by the maximum permitted, from 7p to 7.75p per £2.50 paid £10 share with a final of £1.75p and from 7.1p to 7.75p per 25p share with a final of £1.75p. The dividend on the £1 "A" shares is again 4.5p.

Profit after tax... Bank and inv. banking... Exceptional credit loss... From inner reserve... Life assurance... Associates... Loan charges and minorities... 3.92 1.91

Extraordinary credits... Dividends... To inner reserves... Other reserves... 1.72 1.38 1.76 3.36 2.11 3.39

The exceptional debt loss is a net of tax amount written-off all secured shipping loans which are the subject of guarantees for interest and liquidation costs, given or agreed in principle to be given by the Norwegian Ship Guarantee Institute. After making this reduction, interest on the balance of these loans becomes guaranteed.

After making the transfer to cover the exceptional debt loss, reserves at the end of the year were, overall, above the level of last year, members are told.

Statement, Page 21  
See Lex

## Oliver Rix cuts loss to £66,302

Motor distributors etc. Oliver Rix reports a reduced loss of £66,302 for the six months to March 31, 1976. This compares with a first half loss of £284,240 last time and a loss of £429,091 for the year to last September.

The loss per 3p share is given at 0.14p against 0.89p and 0.85p. Half year Year 1975-76 1974-75 1973-74

Turnover... 12.5m 12.0m 12.5m  
Costs... 12.4m 11.9m 12.3m  
To continue... 0.1m 0.1m 0.2m  
Trading profit... 0.1m 0.1m 0.2m  
Distributions... 0.1m 0.1m 0.2m  
Discontinued loss... 0.1m 0.1m 0.2m  
Interest... 0.1m 0.1m 0.2m  
Pre-tax loss... 0.1m 0.1m 0.2m  
Tax... 0.1m 0.1m 0.2m  
Extraordinary credits... 0.1m 0.1m 0.2m  
Dividends... 0.1m 0.1m 0.2m  
To inner reserves... 0.1m 0.1m 0.2m  
Other reserves... 0.1m 0.1m 0.2m  
Comprehensive loss... 0.1m 0.1m 0.2m

The chairman, Mr. A. K. Stephenson, says reduced borrowings, coupled with lower money rates, have lowered interest charges by over 27 per cent.

The industrial, transport and insurance divisions continue to operate profitably with the industrial and insurance divisions substantially exceeding forecasts. The motor division has considerably improved its trading position, but it suffers from a shortfall in the allocation of vehicles particularly in the executive range. If orders received could have been fulfilled, not only this division but the company would have shown an overall profit for the first six months.

The group succeeded in working within the limits agreed with its bankers, and the requested facilities have been reviewed and agreed with the main bankers. In this context, monies held on special deposit have been released to support working capital requirements. This enables the group to take advantage of any untimely in trading and to meet any costs resultant from improved franchising arrangements with British Leyland.

With reference to plans for rationalisation, in particular the redeployment of funds employed in property and investments yielding little or no return, Mr. Stephenson reports that the company is anticipating a cash inflow over and above realisations already advised of some £30m.

Although profitability in the trading activities is reasonably assured, the continuing policy of rationalisation may produce further balance sheet losses arising from the disposal of surplus properties and investments but will improve cash flow still further and reduce the group's gearing overall, members are told.

RESULTS FOR the fourth quarter of the Plessey Company show profits up from £10.5m to £11.3m, before tax of £8.4m, compared to £4.3m, and significantly higher redundancy costs of £1.67m, against £0.5m. The total for the year ended March 31 is £37.5m, compared with £41m, before tax and redundancy costs.

The directors point out that because of the change in the year end, the results for the 12 months to March 31, 1976 are as previously published but include two final quarters and span two distinct years and have not therefore been specifically audited as a twelve month period.

The redundancy costs, primarily in the telecommunications activities following Post Office cutbacks are shown at the year-end as £2.87m, against £1.05m.

For the nine months to March 31, 1975, profits were £28.38m, before tax, and redundancies of £1.04m.

Stated earnings per 50p share for the fourth quarter, before extraordinary items are 2.37p (£2.77p) and 9.24p (£11.22p) for the year. After the extra-ordinary items figure for the year is 9.99p (£10p).

The net final dividend is 1.2728p making a total of 4.49p against 3.0228p for nine months. An interim dividend of 0.9270p for the current year is also the National Enterprise Board, Sir John anticipated no change in the formal relations between Plessey and ICL.

Christopher Lorenz, Electronics Correspondent, writes: Sir John Plessey and ICL.

Clark, Plessey's chairman, told a Press conference that the company's export order intake more than doubled to over £100m, in the year to March 31. Finance director Mr. Eric Prye, reported a further acceleration, to £35m, in the last three months.

This represented an overseas-led recovery for Plessey, Sir John affirmed. The increase was very largely real, the inflation component being quite small.

Plessey's entire U.S. business had been profitable for the first two months of the current year, after losses last year. Overall, the overseas contribution to 1975-76 profits was unchanged.

Apart from the U.S., there were negative factors in Portugal and Australia, where six factories had been shut, with the reduction of about 2,000 people.

At home, a further 250 people were being made redundant in the telecommunications business. Redundancies had passed their peak, future plans partly depending on the level of export sales, and on Post Office orders for future years.

The need for the P.O. to agree its expenditure levels with Government created a "grey area" here.

In spite of the new ownership arrangements in International Computers (GEC) recently sold out entirely, to both Plessey and the National Enterprise Board, Sir John anticipated no change in the formal relations between Plessey and ICL.

Now that Plessey was the sole industrial shareholder, however, he hoped the relationship might be encouraged, "with a view to enhancing areas of mutual interest." The changes would not affect the buyer-supplier relationship, Sir John said in reply to a question about whether Plessey was now expected to sell more components to ICL.

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## Philip Hill Investment Trust

LIMITED

### Report by the Chairman, Sir Kenneth Keith

We are happy to report upon a satisfactory year for the Company both in asset and revenue terms.

The Economist publishes the gross asset performance of investment trust companies every three months and your Company has been ranked second only to a specialist trust out of some 130 in the sector on a one-year basis. I should also like to draw your attention to both our dividend record and to this year's revenue. It has long been our policy to pay regard to the importance of income and therefore dividends and it is gratifying to note that this policy can work hand in hand with capital performance.

It is, of course, depressing to see the substantial discount from asset value on which the share price stands, in common with other investment trust companies. We believe, however, that this is likely to be a passing phase and the search for methods of improving the situation continues.

Gross revenue showed an improvement from £5,383,000 to £5,675,000. The Directors are recommending a dividend increase of 15 per cent.

Since the year-end the Company has negotiated a loan facility of U.S. \$3 million with Hill Samuel & Co. Limited, Courts & Co. and J. Henry Schroder Wegg & Co. Limited to be borrowed in Euro-dollars substantially for investment in the U.S.A. At 30th April 1976 the surplus over our dollar borrowings, which amounted to U.S. \$17 million, of the valuation of the investments acquired therefrom amounted to U.S. \$5,432,000.

The main markets in which we are invested continued to rise in the year to 31st March 1976. In the United Kingdom, the Financial Times All-Share Index improved by 39.1 per cent. In the United States of America, the Standard & Poor's Composite Index rose by 23.3 per cent, or 34.9 per cent, when adjusted for movements in the dollar premium and exchange rate.

During the year our gross assets (less current liabilities) rose by some 37.7 per cent, when adjusted for an increase in dollar loans. The net asset



value of the Company's ordinary shares, taking investments at middle market value and deducting prior charges at par, increased by 48.2 per cent.

There is no doubt that the economy of the United States is well on the way to recovery and that the rate of inflation there has been much reduced. Hopefully the nature of this recovery will not prove to be so fast that it results in renewed inflationary pressures but that it will continue at a steady pace through 1977 and into 1978. We believe that the United States will lead a soundly-based Western World recovery which is already identifiable in some countries such as Germany and Japan and that the United Kingdom will follow but will inevitably be some way behind.

We believe that the economy at home has bottomed and can only hope that the obvious advantages to exports caused by the lamentable decline of the pound are not materially reduced by too rapid rises in World commodity prices. We believe that inflation at home will continue to fall but that it is still running at an unacceptable rate.

The attitude of the United Nations to the current phase of the Government's pay policy is encouraging but time is not on our side, and public expenditure cuts, particularly in the area of local government, should be instituted as soon as possible in order to further reduce inflation. It is unwise to continue to erode pay differentials and this cannot go on for much longer. The situation in which middle management finds itself after a period of total freeze is bound to cause these vital people great and unjustified hardships. If we fail to reward their extra efforts and extra skills the younger ones will tend to look to those countries where they have to offer is appreciated and adequately rewarded.

So far as the current year is concerned, we have every confidence that in the improving World economic climate, our policy of seeking to increase our income while investing for capital growth will continue to be right. We expect at least to maintain the new rate of dividend.

### RESULTS IN BRIEF

Year to 31st March	1976	1975	1974	1973
Gross assets (less current liabilities)	£000s 106,327	76,142	86,671	48,409
Net asset value per share	188.1p	127p	158.1p	94.3p
Net revenue available for Ordinary Shareholders	£000s 2,685	2,326	1,668	1,190
Earnings per share	5.93p	5.17p	3.71p	2.64p
Ordinary dividend per share	5.75p	5.00p	3.39p	2.57p

\*Before conversion of Loan Stock. †Allowing for conversion of Loan Stock.

### TWENTY-FIVE LARGEST INVESTMENTS AT MARKET VALUE

£	£
Hill Samuel Group Limited .. 11,626,000	Ocean Transport and Trading Limited .. 891,000
Beecham Group Limited .. 11,502,000	Bendix Corporation .. 872,000
Shell Transport & Trading Co. Limited .. 2,244,000	Standard Chartered Bank Limited .. 839,000
Bowater Corporation Limited .. 1,837,000	Amex Inc. .. 832,000
General Electric Co. Limited .. 1,744,000	Courtaulds Limited .. 737,000
Eagle Star Insurance Co. Limited .. 1,672,000	Drayton Consolidated Trust Limited .. 714,000
Prudential Assurance Co. Limited .. 1,597,000	UDS Group Limited .. 704,000
Imperial Chemical Industries, Limited .. 1,594,000	City and International Trust Limited .. 685,000
Land Securities Investment Trust Limited .. 1,455,000	Development Holdings Limited .. 672,000
Babcock & Wilcox, Limited .. 1,134,000	General Consolidated Investment Trust Limited .. 671,000
Imperial Continental Gas Association .. 1,118,000	Australia and New Zealand Banking Group Limited .. 670,000
Sears Holdings Limited .. 1,000,000	
Bess Charrington Limited .. 990,000	
Whitbread & Co. Limited .. 910,000	
	£48,710,000

The twenty-five largest holdings accounted for 46.7 per cent. of the market value of the investments at 31st March 1976.

Copies of the Report and Accounts and full Chairman's Statement can be obtained from Philip Hill (Management) Limited, 8 Waterloo Place, London, SW1Y 4AY

The annual general meeting will be held on 12th July in London.



## The profit center of America...

...invites you to contact our new European Office for full information on the many opportunities for European business investments in middle America: Arkansas, USA

Arkansas is located at the strategic crossroads of the United States, with over 70 million people within overnight delivery distance. The state is served by modern highways, extensive rail lines, many commercial air carriers, and navigable rivers giving access to the oceans of the world via the Mississippi River and the Gulf of Mexico. European

businesses will find a stable labour climate, ample energy resources, liberal financing plans, and an abundance of reasonably priced industrial sites. For complete details on the opportunities Arkansas holds for you, contact the European Office of the Governor, Robert Adcock or Thorkil Strigel, European Representatives



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Robert Adcock, Thorkil Strigel  
European Representatives

## Arkansas, USA



## MINING NEWS

## Beralt makes a second payment

BY MALCOLM DUMPHREYS

FOLLOWING RECEIPT of the second tranche of the 1974 dividend paid by its 80.55 per cent owned Portuguese operating company, Beralt Tia and Wolfman has declared an interim dividend of 1p net per share in respect of the year ending December 31, 1976, payable on or about July 25.

As previously announced, the Portuguese authorities approved the payment of 1974's dividend in three equal instalments in 1976, 1977 and 1978, from which a first dividend of 1.75p a share was paid last December.

Speaking at yesterday's London meeting, Mr. L. G. Stafford Sackville, chairman of Beralt, told shareholders that the size of the dividend was less than might have been expected owing to the necessity to retain funds to respect the corporation tax and advanced corporation tax although the latter will be offset against future dividends received from Portugal.

There was no fresh information concerning the 50m. escudos dividend declared by the operating company last year which would have a dividend to Beralt shareholders of 2.50p but Mr. Stafford Sackville told the meeting that he believed the money would be forthcoming and that a dividend would be considered when it arrived.

Production at the Panasqueira mine in central Portugal in the first four months of the current year was on target for the planned annual production of 600 tonnes of wolfram concentrate although there had been a setback in July owing to the production of a five-day working week at the mine. It was hoped that the shortfall in production could be made up by the employment of a larger labour force and the work being undertaken at the mine.

So far the long-suffering U.K. holder of the picture is still one of ailing and hoping that the Portuguese authorities continue to flow for the resumption of dividends declared in that country to the U.K. The Portuguese Presidential elections are to be held this Sunday. Beralt were in yesterday.

## MR. MADIGAN ON AUSTRALIA

Australia will need to invest \$55bn. (£2.25bn.) over the next 10 years if it is to maintain its share of world mineral resource markets according to Mr. Madigan, the chairman of the Anglo-American Zinc Corporation, a British-owned Australian zinc producer.

Speaking in Melbourne he said that high levels of inflation and changing rate movements combined with restrictive government legislation were preventing the mining industry potential from being fully realised. He added that his estimates did not include account development of offshore north-west natural gas deposits or possible uranium mining enrichment operations which would take investment of \$12.5bn. (£700m.).

On the question of foreign ownership of the country's

mineral resources, Mr. Madigan said that while it must be made clear that Australia controls them, if development funds were available at home it was in the country's interests for the debt and equity finance to be sought overseas.

## ASA'S HOLDINGS

The Johannesburg-incorporated vehicle for U.S. investment in South African mining issues, ASA, reports that its net assets at June 10 amounted to R17.24 (\$19.83 or £11.15) per share. At that time the Gold Mines Index was standing at 197.0 but it has since fallen sharply in line with heightened political fears and it was 171.5 yesterday.

During the period from February 29 to May 21, ASA increased its holdings in East Driefontein, Kloof, Zandvoort, President Brand, Amical and Transvaal Coal. On the other hand the sizeable holding in De Beers was further reduced.

Commenting on South Africa's recent increases in mining tax the ASA chairman, Mr. Frederic Brandt, says that taking into account the higher loan levies (which do not have to be repaid to the mines for seven years), the marginal tax rates on gold mines now range from about 70 per cent to 85 per cent. ASA shares were 118 1/2 cum-premium in London yesterday.

## SASKATCHEWAN POTASH MOVES

The president of the Polish Corporation of Saskatchewan, Mr. David Dombrowsky, has confirmed that evaluations are under way at Alvin's Potash of Canada's Lanigan mine, this being the first step preparatory to the corporation deciding to proceed with negotiations.

He said the overall evaluation will take some three months and Mr. Henry Imorde, president of Alvin's (a private company controlled by French and German interests) said that the company would co-operate with the evaluation team and that all plant facilities would be made available to it.

The Saskatchewan Government plans to nationalise all or part of the province's potash industry, most of which is owned by multinational foreign companies, mainly American.

## MINING BRIEFS

**BRITISH-JAPANESE (NIGERIA)**—May 29, 1976, tonnes, 25,330 tonnes; five months to date, 157,118 tonnes; cumulative 1976, 1,271,000 tonnes; 1975, 1,271,000 tonnes; 1974, 1,271,000 tonnes.

## GARTMORE AMERICAN

The true offer price of Gartmore American Trust is 27.5p. This is 3.7 per cent above the fixed price of this week's offer, and therefore in accordance with the Trust Deed, and as mentioned in the advertisement that the fixed price offer has been closed.

Dealings will take place at the daily offer price.

## BIDS AND DEALS

## More Artagen shares bought

Artagen Properties shares were yesterday being quoted marginally above Sun Life's bid price of 30p. They ended the day at 30 1/2p.

In a letter to shareholders outlining its final offer, Sun Life includes the information that last Friday, when its raised bid was announced, it purchased a total of over 2.6m. shares in the market. On Monday of this week it bought another 250,000.

This brings Sun Life's total through acceptances, purchases and the initial 32.35 per cent, holding to a total of 44.84 per cent of the Artagen equities.

In his letter to shareholders, Mr. Philip Walker, chairman of Sun Life, stresses that the 80p offer represents a 34 per cent increase on the market price of Artagen shares when the bid was announced on April 12. "You are being offered fair and full value for your shares and I repeat that there will be no further increase," he writes.

## JEAVONS GOES TO PENTOS

Pentos, the industrial holding company headed by Mr. T. A. Storer, has taken control of Birmingham-based group E. E. Jeavons. Pentos now has 54.5 per cent of the Ordinary capital.

Pentos increased its offer for Jeavons on June 8 to 57 1/2p nominal of 15 per cent. Convertible Unsecured Loan Stock, 1983, against 50p. The cash alternative was also offered for 50p to 60p. The increase in the offer was also proved after the approval of the Jeavons Board who up to that point had resisted the bid.

The 24 per cent stake in Jeavons bought by Croda International was bought for 60p 3/4 per share.

The loan stock offer remains open until July 9 while the cash option expires on June 25. First dealings in the new loan stock are expected to start to-day.

## BURTON/LONSDALE

The Burton Group has concluded negotiations with Lonsdale Universal for the sale of the local Rymer operations in the North and Midlands. The purchase price is in the region of £455,000 and with the release of net current assets employed in these operations, the net realisation is approximately £200,000. Following a three month transition period, Lonsdale will cease to trade under the Rymer name.

This disposal represents less than 20 per cent of Rymer's turnover and does not include national accounts and other business dealt with by their London central operations.

## CHRISTY BROS.

Mr. David Burn has resigned his directorship of Christy Bros., the electrical engineering company which made a loss of over £1m. in the financial year ended March 31, 1975. His brother, Mr. Malcolm Burn, is also resigning following completion of a £21,500 deal to sell the financial services division of Christy to Corporate Financial Services, a company controlled by Mr. Malcolm Burn. The purchase price represents the net tangible assets involved.

A statement issued yesterday also stated that the programme for regaining a listing for Christy shares on the Stock Exchange was well advanced and that details would be forwarded to shareholders in the near future, together with the full report and accounts.

## PERAK RIVER HYDRO

Acceptances of the offers made on behalf of Chenderoh Electricity, all of whose capital is beneficially owned by the Government of Malaysia for the Ordinary and Preference capital of Perak River Hydro not beneficially owned by the Malaysian Government have been received in respect of 1,325,338 Ordinary shares and 276,042 Preference.

These represent 90.66 per cent and 94.35 per cent, respectively of the shares for which the offers were made. The Malaysian Government beneficially held 1,257,501 Ordinary and 359,000 Preference prior to the offer and acquired a further 365,000 Ordinary shares during the offer. These holdings together with acceptances referred to represent 95.63 per cent of the Ordinary and 96.30 per cent of the Preference.

Cheques will be despatched within 14 days to holders who have accepted the offers. They have become unconditional and remain open.

## WIGGINS TEAPE

Wiggins Teape, a subsidiary of British-American Tobacco, is taking over the goodwill and order book of Hollingsworth (Turkey) which is some 100 miles north of London. The amount paid by Wiggins Teape for Hollingsworth, which makes stationery used by the Queen and fingerprint paper for Scotland Yard, is not being disclosed.

A spokesman for Wiggins Teape stressed last night that the group was more interested in the standards of business activity.

There has been considerable reinforcement in J. B. Broadley and capital expenditure has been cut to a minimum. Particular attention has been paid to the control of working capital to ensure the maximum positive cash flow while increasing concentration on the development of new products which are now starting to approach the production stage. He anticipates that some of these will play a large part in the future expansion of the company.

A source and application of 21 funds statement shows an increase of £55,000 and £332,000 respectively.

## JONAS WOODHEAD

Jonas Woodhead, major suspension manufacturers, has bought Supra Automotive (Scotland) of Glasgow for a consideration of £72,000 cash and 70,000 Ordinary shares, worth at last night's price of 92p (unchanged) 6,460. The shares are in the issued to Supra Group, the former parent.

Net assets of the acquisition were valued at £92,000 at November 30, 1975, and pre-tax profits for the financial year ending on that date was £30,300.

## Ozalid ready for upturn

THE PROCEEDS of the disposal of the holding in Imperial Chemical Industries, amounting to about £45m., together with bank facilities available, will enable Ozalid Group Holdings to finance the growth which should result from the expected upturn in world trade during 1976, states Mr. N. J. Kiely, chairman.

He warns, however, that the current year "will not be easy" in many instances for reasons totally beyond our control. Because the world economy is moving out of recession at differing rates he says it is difficult to gauge the speed at which the anticipated improvement will occur.

The inflation rate in the U.K. makes it difficult to even maintain the level of activity — working capital has been reduced by £2.4m. but it is still essential that price control regulations be modified, he adds.

The full benefit of the merger of Ozalid Co. and Nig Banda, the company's two major U.K. subsidiaries, will come in 1977 but economies and greater efficiency of the combined operation will improve profitability in the current year, says Mr. Kiely.

Particular attention has been paid to future expansion by the promotion of new products and the development of existing products to new applications.

As known, pre-tax profit in 1975 declined from £5.84m. to £5.14m. from turnover of £82.91m. (£78.76m.). The dividend is being kept at 3.3p net.

During the year Ozalid Company and Nig Banda, and their subsidiaries, experienced the effects of the recession, particularly in consumable supplies. Demand for drawing office reprographic products was substantially reduced by the contraction of manufacturing industry and the business office products division suffered as users reduced the scale of their operations to suit the lower level of business activity.

There has been considerable reinforcement in J. B. Broadley and capital expenditure has been cut to a minimum. Particular attention has been paid to the control of working capital to ensure the maximum positive cash flow while increasing concentration on the development of new products which are now starting to approach the production stage. He anticipates that some of these will play a large part in the future expansion of the company.

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in cash balances of £7.29m. at year-end (£4.22m. decrease).

It is proposed that fees of £5,000 per annum should be paid to Sir Cyril Pitts and Mr. J. R. Gilson, both non-executive directors, for the period they held office in 1975 and that the Articles of Association should be amended to provide for future payments subject to a maximum aggregate of £25,000 per annum.

Last year Mr. Kiely admitted that a failure in administrative procedures accounted for an understatement of directors' remuneration during the years 1970 to 1973—earlier, attention had been drawn to a note in the 1974/5 accounts concerning the understatement of directors' emoluments.

ICI holds 11.97 per cent of the Ordinary.

Meeting, Loughton, July 15, noon.

Chairman's statement, Page 22

## Beechwood reaches peak £0.59m

AFTER RISING from £175,481 to £235,114 in the first-half, pre-tax profits of civil engineers, Beechwood Construction (Holdings) finished the year to March 31, 1976 up from £224,126 to a record £288,297 on turnover some £3.7m. higher at £7.66m.

Earnings are shown to be up from 2.3p to 3.9p per 10p share and the dividend total is raised from 1.325p to the maximum permitted 1.663p net with a final payment of 1.663p.

Turnover 1975-76 7,662,330 1974-75 7,000,000  
Profits before tax 235,114 175,481  
Tax 32,125 12,125  
Minorities 3,125 1,125  
Attributable 200,000 162,231  
Dividend 195,213 96,126

## CENTURY OILS PURCHASE

Century Oils Group announces that they have acquired, through a wholly-owned subsidiary Century Oils International, two companies in Belgium starting in a cash consideration which, after final adjustment, will not exceed £485,000.

Combined pre-tax profits for 1975 and net assets at December 31 for the two companies were £55,000 and £332,000 respectively.

مكتبة لاص

## R. H. COLE announces £2.5m. redevelopment plan of plastics compounding activities

In a letter to shareholders Mr. Peter Cole, the Chairman of R. H. Cole Limited, reports plans for the redevelopment of the plastics compounding activities carried on by Cole Plastics Limited and East Anglia Plastics Limited which involves the relocation of their production and warehousing facilities to a single site. Negotiations have been successfully concluded for the acquisition of a long term building lease on a prime site at Milton Keynes. It is anticipated that the new factory will be structurally completed by October, 1977 and in production by the end of that year. The factory will have an area of approximately 115,000 square feet, and an option has been taken on an adjoining site to cover further expansion when appropriate.

Plastics compounding is the most important group activity and accounted for about 45% of group turnover in 1975. The estimated cost of the project, allowing for inflation, is £2.5m. To finance the major proportion of this cost the Company has negotiated two facilities amounting to £2m. FCI has agreed to provide a 10 year term loan facility of £1m. and Midland Bank Limited, which will continue to support group working capital requirements on a normal overdraft basis, is also providing £1m. by way of a loan facility. Assistance in meeting the cost of servicing these loans will be provided by an Interest Relief Grant of £517,000 to be made by the Department of Industry under the "Accelerated Projects Scheme".

Mr. A. E. Lockhart will resign as Managing Director of Cole Plastics Limited and will join the Board of R. H. Cole Limited on 1st July, 1976 with special responsibility for co-ordinating all aspects of the redevelopment. Mr. T. S. Blunt, the present Sales Director, will succeed Mr. Lockhart as Managing Director of Cole Plastics Limited.

In his letter the Chairman expresses confidence in the future of the R. H. Cole Group's role in the plastics industry and that the facilities afforded by the new factory will enable Cole Plastics and East Anglia Plastics to realise their full potential in terms of both technology and market expansion.

**cole**

Manufacturing and marketing of plastics, chemicals, electronics and equipment.

R. H. COLE LIMITED  
7-15 LANSOWNE ROAD,  
CROYDON CR9 2HB.

## Plessey 1975/76 results and final dividend

The financial results for the fourth quarter ended on 31 March, 1976 show a significant improvement in trend compared with the previous five quarters.

Sales at £146 million were 30% higher than a year ago, demonstrating a substantial increase in volume. Before allowing for redundancy costs this gave profits of £11.3 million compared with £10.3 million, an increase of 10%.

Redundancy costs, primarily in the Telecommunications activities following Post Office cut-backs, at £1.7 million were significantly higher and reduced the profit before taxation to £9.7 million, a decrease of 1%.

While the pre-tax profit for the year was 13% below the previous year, it should be noted that as a result of the improvement in the fourth quarter, the profit for the year ended 31 March, 1976, before charging redundancy costs, was £37.6 million, down 8% compared with the previous twelve months.

Because of our year end change the results for the twelve

months to 31 March, 1975, shown by way of comparison, are as previously published, but include two final quarters and span two distinct years and have not, therefore, been specifically audited as a twelve month period.

## Dividend

It is proposed to recommend a final dividend of 1.27293 pence per share net in respect of the year ended 31 March, 1976. This dividend, if approved, together with a final interim dividend in respect of the year ended 31 March, 1977, of 0.92707 pence per share net, will be paid on 1 January, 1977 to Shareholders whose names are recorded in the register at close of business on 22 November, 1976.

The Company's full Report & Accounts will be posted to Shareholders on 22 July, 1976.

The Annual General Meeting will be held on 19 August, 1976 at Millbank Tower, Millbank, London SW1.

The Plessey Company's consolidated results for the fourth quarter and the audited results for the twelve months to 31 March 1976 are as follows (with the results for appropriate periods by way of comparison):—

Figures in £000s	Three Months to 31 March 1976	Three Months to 31 March 1975	Twelve Months to 31 March 1976	Twelve Months to 31 March 1975 (unaudited)*	Nine Months to 31 March 1975
Sales	146,100	112,300	490,100	428,300	318,900
Profit on Trading	14,837	14,201	52,638	55,636	39,817
Depreciation	4,280	3,242	15,339	13,616	8,968
Associated Companies	10,687	10,959	37,295	42,020	28,848
Interest Receivable	1,943	1,079	6,035	4,834	3,332
Interest Payable	1,902	2,240	6,807	7,290	8,222
Redundancy Cost	11,346	10,327	37,567	41,009	28,380
Profit before Taxation	1,670	849	2,867	1,054	1,040
Taxation	9,676	9,778	34,700	38,956	27,340
Profit after Taxation	3,400	4,300	15,300	18,200	12,500
Minority Interests	6,276	5,478	19,400	21,755	14,840
Profit before Extraordinary Items	380	298	1,107	758	740
Dividends — including proposed final	5,896	5,180	18,293	20,997	14,100
Extraordinary Items (Net)	—	—	9,865	—	5,663
Exchange Adjustments	—	—	-2,838	-1,514	-2,434
Business Gains & Disposals	—	—	-1,107	-2,303	-2,303
Back Service Pension Funding	—	—	—	-1,680	-1,680
Investment Disposal	—	—	—	+2,519	+373
Other	—	—	-249	+704	-14
	—	—	+1,452	-2,274	-6,058
Earnings per Share	2.57p	2.77p	9.24p	11.22p	7.54p
Before Extraordinary Items	—	—	9.99p	10.00p	4.30p
After Extraordinary Items	—	—	4.4p	—	3.02293p
Dividend per Share	—	—	—	—	—

\* See Notes on consolidated results.

**PLESSEY**

OPERATING INTERNATIONALLY IN 136 COUNTRIES

**HAMBROS LIMITED**  
41 Bishopsgate, London EC2P 2AA

**Group results.** All-round improvement in ordinary earnings over last year with earnings per share increased by 69%.

## Exceptional debt loss

This loss is a net of tax amount written-off all secured shipping loans which are the subject of guarantees for interest and lay-up costs given, or agreed in principle to be given, by the Norwegian Ship Guarantee Institute. After making this reduction, interest on the balance of these loans becomes guaranteed by the Institute, subject to interim reviews, until 31st December, 1979. During the life of the

guarantee scheme, repayments of principal are deferred but the ships concerned may be regarded as on-going business assets and, for the purposes of loan security, valued accordingly.

## Inner reserves

After making the transfer to cover the exceptional loss, inner reserves at end of year were, overall, above the level of last year.

## Dividends

Full 10% permitted increase, with one-third paid at interim and two-thirds proposed for final dividend.

	1976	1975
<b>Year ended 31st March</b>	£	£
<b>Profit for the year after taxation</b>		
Banking and investment banking	4,797,000	2,823,000
Exceptional debt loss (see below)	24,323,000	—
Transfer from inner reserve	(4,323,000)	—
Life assurance	3,107,000	2,035,000
Associated companies	1,113,000	189,000
Loan capital charges and minorities	(3,802,000)	(1,951,000)
Profit before extraordinary items	5,215,000	3,096,000
Extraordinary items	220,000	1,474,000
Profit after extraordinary items	5,435,000	4,570,000
Dividends	1,672,000	1,536,000
Disclosed transfer to inner reserves	1,750,000	2,500,000
Other retentions	2,013,000	534,000
<b>Earnings per share</b>		
Before extraordinary items	24.60p	14.52p
<b>Dividends, net of tax credit</b>		
<b>£10 shares (£2.50 paid)</b>		
Final, proposed	51.75p	51.0p
Total for year	77.5p	71.0p
<b>25p shares</b>		
Final, proposed	5.175p	5.4p
Total for year	7.75p	7.1p
<b>£1 'A' shares</b>		
Final, proposed	2.1p	2.1p
Total for year	4.2p	4.2p



# Harrisons & Crosfield expects recovery

THE CHAIRMAN of Harrisons & Crosfield, Mr. J. F. Gilchrist, says that despite many constraints, he will be disappointed if the current year does not bring recovery overall in the group's affairs.

"We are well qualified everywhere to move into higher gear helped by our strong financial position," he says.

"The divisions incurring losses in Australia are now well under control and a gradual return to profit is in sight, says the chairman.

Indonesia continues to present problems, British Chrome is forging ahead, Canada is lifting following recovery in the U.S. and south-east Asia should do better with the improvement in price of primary products.

Although economic recovery has been somewhat hesitant, 1976 looks like being a year of slow but steady growth in off-take of rubber. Owing to the low level of stocks in consuming countries, any sudden resurgence of business confidence could result in a sharp price rise.

The more abundant supply position of palm oil may well cause the downward price trend to continue, although as a result of a drought in Malaysia, the increase in world exports this year is expected to be less than in 1975.

Timber has started better this year but demand will depend on the progress of the national economy, says Mr. Gilchrist. Prospects for tea producers are now more encouraging—there are good grounds for expecting a surplus in 1976 but possibly a reduction in stocks and a firming up of prices.

An reported on June 8, group pre-tax profit for 1975 was £12.67m, against £13.20m in 1974. The 1974 accounts have been calculated as a calendar year, due to the change in the year-end. The

dividend is 20p net and a one-for-one scrip issue is also proposed. There was some considerable success at Elders Walker and British Chrome, says the chairman, but some divisions in Australia proved disappointing while Indonesia fell below expectations.

Meeting, Baltic Exchange, 14-20, St. Mary Axe, July 21 at 11.15 a.m.

## N. Brown down to £0.52m.

THE ANTICIPATED reduction in pre-tax profit at N. Brown Investments, caused by direct mail order, turned out to be £317,296 for the year to February 28, 1976, compared with £503,490, after £274,000 (£252,000) in the first six months.

Final dividend at 1.635p net (cumulative) kept the total at 2.308p, as forecast, substituting £177,046 after waivers of £145,355.

In December last year the chairman, Mr. D. Alliance said he had every confidence in the long-term future of the group.

Turnover £15,027,724 20p net 24p  
Trading profit £1,191,264 1.30m net  
Income from investments £17,296 20p net  
Profit before tax £17,296 20p net  
Tax £17,296 20p net  
Profit after tax £17,296 20p net  
Dividend £17,296 20p net  
Reserves £17,296 20p net  
Total £17,296 20p net

New accounting policies have been introduced which take credit only for confirmed mail order sales and not as previously taking credit for such sales when the

goods are dispatched, and value quoted investments at their market value instead of as formerly at their book value; this accounts for virtually all of the extraordinary profit (loss).

At February 28, 1976 stocks and debtors were in aggregate down by nearly £2m, compared with the previous year; creditors were down by a similar amount. Fixed assets increased by £354,000 after depreciation the principal addition being £220,000 spent on the purchase (including improvements, alterations and certain equipment) of a warehouse of approximately 240,000 square feet at Oldham for use as the Group's principal mail order distribution centre.

## Bradford Property tops £3.3m.

INCLUDING a surplus from property rentals of £1.1m (£1m), pre-tax profits of Bradford Property Trust rose from £2.38m to £3.33m in the year to April 3, 1976, after £1.4m (£1.23m) for the first half.

Earnings per 25p share from the property rentals surplus were 6.97p (6.42p) and from attributable profits 23.4p (17.53p). The final dividend is 2.775p net for a 5.3425p (5.1147p) total.

Pre-tax profit of the Color Group, the main UK subsidiary of

## I. C. Gas turns in peak £14.8m.

EXCLUDING the Belgian subsidiaries, turnover of Imperial Continental Gas Association increased by 28.1 per cent, to £101.14m, during the year to March 31, 1976 and pre-tax profit was up by 94 per cent, to a record £14.78m.

In December last year the directors forecast that earnings from Belgium would improve but that the government's restrictions on dividends might operate to restrict transfers of profit to the U.K. In the event the results from Belgium were not consolidated—income from these subsidiaries was £5.12m (£4.63m) and the group proportion of unconsolidated subsidiary companies adjusted retained earnings was £4.08m (£3.54m) representing a further 11.07p per stock unit (10.44p) after adjusting in both years for the rights issue in October 1975.

Group earnings per £1 share are shown to be up from an equivalent 15.47p to 18.38p and as forecast, the dividend total is 7.98135p, compared with 6.73125p net, with a final of 4.88135p.

Interest on the 6 per cent, Convertible Unsecured Loan Stock 1980/84 and the 7 per cent, Convertible Unsecured Loan Stock 1980/85 is paid on September 30, 1976 to holders registered on August 20, 1976.

Turnover £101,140,000  
Trading profit £14,780,000  
Income from investments £5,120,000  
Profit before tax £25,020,000  
Tax £2,502,000  
Profit after tax £22,518,000  
Dividend £7,981,350  
Reserves £14,536,650  
Total £37,054,650

## Property Holdings on target with £0.63m.

NET REVENUE of Property Holding and Investment Trust rose from an adjusted £880,000 to £920,000 for the year ended March 31, 1976 and compares with the forecast of some £800,000 made last December.

Stated earnings per share are 3.15p (3.14p) and, as expected, the net final dividend is 3.22p making a maximum permitted total of 5.37p, compared with 4.88p previously. For the current year, the directors expect to pay the maximum allowed.

A further increase is expected in net income from properties over the next two years, amounting to £500,000 most of which will accrue in the current year.

The net revenue in the previous year had added an amount of £12,000, representing interest on development costs (less tax) transferred from capital reserves. In view of the fact that the directors have decided to defer the development of certain sites, they have not made such a transfer for the year under review.

The directors are of the opinion that properties have an open market value amounting to £11.5m, which shows a surplus of £1.5m over the comparable book value of £10.0m, at March 31, 1976. This allows for a provision for diminution in value of sites.

## W. Lawrence upsurge

Pre-tax profit of cabinet makers and upholsterers William Lawrence and Co. expanded from £109,226 to £233,299 in 1975, after written off quoted investments £32,119 (nil). At halfway profit was £115,000, against £139,609. Sales for the year increased from £277m to £3.6m.

Earnings per £1 share increased to 24.5p (18.9p), and the dividend is lifted from 2.485p to 2.749p net.

1975 1974  
Sales 3,600,000 2,770,000  
Pre-tax profit 233,299 109,226  
Taxation 30,200 15,100  
Retained 203,099 94,126

## Deritend sees steady growth

IN HIS annual statement, the chairman of Deritend Stamping Company, Mr. C. W. Perry, says that if the Government's confidence in the economy is successful, he is confident that steady growth will result throughout the group.

There are indications from the majority of companies that trade is beginning to improve, albeit only slightly, members are told.

The group has continued to invest in new plant and equipment at the usual rate of expenditure and should be in a position to take advantage of any increase in demand, despite reductions in manning levels at various factories.

As reported on May 12, sales were £18,930, (£18,050) for the year to February 29, 1976, pre-tax profits were £1,331, (£1,861) and the dividend total is 5.2p (7.6p) 5.75p (5p) net—will be maintained.

As known, revenue available rose from £2,330 to £2,680 in the year to March 31, 1976. During the year gross assets (less current liabilities) rose by some 37.7 per cent, adjusted by an increase in doubtful debts, the net asset value increased by 42.3 per cent.

## Philip Hill to maintain dividend

in his annual statement, the chairman of Philip Hill Investments Trust, Sir Kenneth Hill, says that so far as the current year is concerned, he has every confidence that, in the improving economic climate, the policy of seeking to increase income while investing for capital growth will continue to be right. He expects that the new rate of dividend, 5.75p (5p) net—will be maintained.

As known, revenue available rose from £2,330 to £2,680 in the year to March 31, 1976. During the year gross assets (less current liabilities) rose by some 37.7 per cent, adjusted by an increase in doubtful debts, the net asset value increased by 42.3 per cent.

Meeting London on July 12, 14, at 12.30 p.m.

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## Templegate Industrial

A new company has been formed in Bristol, called Templegate Industrial Securities, which aims to be a "close" company, assisting and advising to smaller companies.

Templegate has as its principal shareholder Gresham Trust and two of the latter's directors Mr. P. G. Wreford and Mr. R. D. Keene, will sit on the company's board.

Mr. Wreford is the chairman of Bath and Portland, a chairman of the new company and other directors include Mr. T. Roseman-Brown, a director of which manages more than £800m. R. W. Bailey, managing director of a Bristol investment trusts, has rejected based wine shippers.

## Touche Remnant

The Touche, Remnant group, of investment funds, including managing director of a Bristol investment trusts, has rejected based wine shippers.

## RECENT ISSUES

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# Ozalid Group Holdings Limited

(Extracts from the Statement by the Chairman, Mr. N. J. Kiely in the Annual Report and Accounts of Ozalid Group Holdings Limited.)

## Results for 1975

"The difficult economic conditions of 1974 persisted... although towards the end of the year there were some signs of recovery.

"Against this background, turnover throughout the Group, excluding inter-company sales, increased by 4% to £82.9 million, whilst Group net profit before taxation and extraordinary items fell from £8.9 million to £







## INTERNATIONAL COMPANY NEWS + EURO MARKETS

## Rights issue from Allianz

ALLIANZ VERISHERUNGS AG said it proposed a 1975 dividend of DM9 (DM8.50) plus a DM1 bonus (same) on fully paid-up DM50 nominal shares and a DM4.50 dividend (DM4.25) with a DM0.50 bonus (same) for those partly paid-up. Reuter reports from Munich.

Allianz said it will raise its capital to DM12m. (DM12.2m.) by a one-for-10 rights issue at par.

## Tokyo Marine ahead

TOKYO MARINE and Fire Insurance reports after tax profits of ¥15.03bn. for the year ended March 31 (¥14.54bn. in the preceding year) on gross sales of ¥275.47bn. (¥222.63bn.). The dividend is maintained at ¥3.50.

## Alstom recovery

ALSTOM chairman Roger Schulz said the company is making an overall recovery and noted the importance of the planned merger with Chantiers de l'Atlantique.

The company earlier announced a net 1975 loss of Frs.115m. compared with Frs.13m. loss in 1974.

Schulz said business activity in the large equipment sector was generally steady last year, while units specialising in small and medium-sized equipment were severely affected by the economic crisis.

Despite uneven and moderate recovery in the small equipment sector since the beginning of 1976, the international economic situation is making exports of large equipment more difficult, he said.

The South African order last month for a nuclear power station from the Alstom/Framatome French consortium was, however, a large success for the company.

## PUK still loss-making

THE PECEINRY Uglie Kuhlmann group continued to make losses in the opening months of this year because prices were slow to pick up, group president Philippe Thomas said.

He told the annual meeting consolidated results risk being unsatisfactory this year even if, as hoped, the recovery continues in the second half.

So far the recovery is moderate with sales in the first five months of the year 12 per cent. up on the same period last year.

Prices in some sectors such as aluminium have been rising in recent weeks, and 1976 results will depend on this trend continuing in the second half, Thomas said.

## NORDIC GLASS MARKET

## Pilkington faces merger

BY WILLIAM DUFFLORCE

ST. GOBAIN, the French conglomerate, and Granges, the Swedish heavy industry group, are merging their glass manufacturing interests in Scandinavia in a defensive move against Pilkington Brothers, whose new float glass plant at Halmstad, Sweden, is scheduled to come on stream next month. The step is seen here as a prelude to a battle for the whole Nordic glass market.

Granges confirmed to-day that its Scanlas subsidiary, based at Korsør in Denmark, has been negotiating with the Swedish Emmaboda Glasbruk, in which St. Gobain has a 50 per cent. holding, and the Norwegian Drammen Glass Company, of which St. Gobain has 40 per cent. The three companies expect to form in September or October a holding company, in which St. Gobain will have a majority interest. A small minority holding would go to Norway's Christiania Glassmasiner, which owns 51 per cent. of the Drammen factory.

Pilkington's float glass plant, one of the biggest in the world and built at a cost of some £30m., will introduce heavy capacity into the Nordic flat glass market. When the project was first mooted in 1973, Pilkington offered participation to the Nordic producers. The offer was rejected because the Nordic producers say Pilkington made co-operation conditional on their closing down their own raw glass production.

St. Gobain, which produces float glass on the Continent under licence from Pilkington, raised its minority holding in Emmaboda Glasbruk to majority control with the blessing of the Swedish government. Similarly, it increased its holding in the Drammen factory to the 49 per cent. permitted by Norwegian law and bought control of a large Swedish wholesaler.



Pilkington's float glass in continuous ribbon

troubles, still has a capacity of about 30,000 tonnes. Moreover, traditionally some 30-40 per cent. of Nordic glass consumption has been imported.

The strength of the Scandinavians in the competition with Pilkington is that they are producers, while Pilkington produces only raw glass. Of the 220,000 tonnes of flat glass consumption, for instance, some 100,000 tonnes go to the making of insulating glass, the bulk of which is made up by the three Scandinavian companies.

The Scandinavians accuse Pilkington of building up its share of the Nordic market to the traditional 30-40 per cent. import level by selling surplus production from its British plants at low prices, taking advantage of the successive devaluation of the pound. They believe, however, that the situation will change in their favour, when Pilkington tries to market the glass from its new Halmstad plant.

The Nordic producers all lost money in 1974 and 1975. Scanlas, for instance, saw a 1975 pre-tax profit of Kr.21m. (£2.7m.) turn into losses of Kr.3m. in 1974 and Kr.13m. last year, while turnover declined from Kr.117m. to Kr.106m. However, the Scandinavians calculate that, despite the unit cost advantages enjoyed by its new Halmstad plant, Pilkington will find it difficult to market its new glass without the advantage of the devalued pound.

The Scandinavians recognise that further rationalisation of their common production will be needed and this is one factor in the merger. The situation in Finland is rather different. There Pilkington has been involved in the reorganisation

of the Lahti works, although the Scandinavians believe that ultimately the Finnish plant will close down its output of sheet glass.

Mr. Carl Erik Feinster, Scanlas chairman, underlined to-day that the merger with St. Gobain would be a defensive rather than an aggressive act. The Scandinavian producers recognise that Pilkington had come to stay in the Nordic market: at the same time they have to co-operate to protect themselves.

Ken Gooding adds: Pilkington in the U.K. was willing to give only a very short, non-committal statement about the reports from Sweden, obviously taking the view that there is a long way to go before the talks between St. Gobain and Granges mature into anything more concrete. "These talks will make no difference to our investment in float glass at

Halmstad," it stated.

Ironically, St. Gobain was for some time a likely partner for Pilkington in the Scandinavian project, but it pulled out after a disagreement about the timing. Pilkington insisted that the plant had to come on stream in 1976 while St. Gobain maintained that because of the recession in the two main customer industries—automotive and building—the project should be delayed until about 1978.

Behind Pilkington's major investment in Scandinavia is its conviction that eventually nearly all of the flat glass market will switch from sheet to "float" glass, following the pattern already set in the U.K. and the U.S.

Currently only 40 per cent. of the Scandinavian market is accounted for by "float," a process invented by Pilkington in 1952 which allows a high quality glass to be produced by "floating" molten glass over a bath of oil.

Nothing in the proposed St. Gobain-Granges deal will alter that seemingly inevitable change. More important, from St. Gobain's viewpoint, is that as well as rationalisation of production, the distribution and processing of glass in Scandinavia would be strengthened by a tie-up with Granges.

According to St. Gobain, for example, it already accounts for between 40 and 50 per cent. of the Swedish distribution of flat glass.

The Pilkington Halmstad plant will be capable of supplying 60 per cent. of the normal Scandinavian demand for "float." The tank was lit on June 3 which means it should be making glass within a few weeks.

Up to now Pilkington has supplied only 20 per cent. of the Scandinavian demand for "float" via exports from the U.K.

## BMW to join the ranks

BY NICHOLAS COLCHESTER

BONN, June 22.

BMW, the successful West German motor car manufacturer, is to join the ranks of the multinational companies and set up manufacturing facilities overseas. The company announced to-day that it would finance an increase in its international activities with its first foreign bond issue—a Sw.Frs.100m. issue of BMW Overseas Enterprises NV Willemstad (Curacao).

The bond will carry a coupon of 6.25 per cent. and will have a maturity of 15 years. It will be issued at something under par.

exact details will first be made available at the beginning of the subscription period which will run from June 28 to July 1. Swiss bank corporation is managing the offering.

Speaking at a Press conference in Munich to-day, the chairman of BMW, Eberhard von Koenheim, said that the company would increase its foreign activities markedly in the near future. It was likely, he said, that this expansion would include foreign manufacture of BMW cars, without which some markets were impenetrable.

## AFTER THE GUIDELINES...

## Multinationals play it cool on new rules

BY OUR INDUSTRIAL AND FOREIGN STAFF

MULTINATIONAL COMPANIES around the world yesterday made it clear that they felt they had little to fear from the new guidelines for behaviour recommended by the OECD, claiming that in most cases they were already conforming to the practices being advocated.

The main area where, according to most of the companies, changes may have to be made is over disclosure of information, particularly the suggested geographical breakdown of results. The evidence also suggests that the U.S., U.K. and Dutch multinationals probably come closer to the new requirements than their counterparts in France, Germany and Japan.

ICI, Britain's biggest industrial company, with roughly one-third of its assets outside the U.K., welcomed the new code which it described as "practical." BP and Shell, both of which have been criticised recently for payments made by subsidiaries abroad to political organisations, also welcomed the proposals. Among the recommendations in the code, observance of which is to be voluntary, is a restriction on payments to political parties and candidates unless this is legally permissible.

ICI said yesterday that to conform to the code it would have to amend the information given in its annual report on geographical spending plans. At present the company lists U.K. and overseas spending separately, indicating some of the larger sums proposed for particular countries.

The company already gives a breakdown of sales and profit, however, by geographical region. In some parts of the world where there are outside shareholdings the company also brings out separate annual reports.

Generally, ICI claims it will have to make very few changes in procedures it is already adopting.

Mr. Hugo Krajenhoff, chairman of Akzo, the Dutch-based multinational chemicals group, also "welcomed" the move, which he said his company had been pressing for some time. "Perhaps the rules could finally remove the misunderstandings about and distrust of the multinational companies," he added.

Akzo, which generates around two-thirds of its near-Fls.100m. annual sales outside Holland, said that it did not expect the 30,000 last December, but owed them \$31.9bn., giving a net debt of \$22.8bn. This is more than double the net debt of any other country.

Next highest in the net debt stakes was Brazil, with overseas deposits of \$4.1bn. and borrowing of \$14.8bn., its net debt was \$10.7bn. Mexico was close behind with a net debt of \$10.1bn., its deposits overseas being \$3.4bn. and its borrowing \$13.5bn. (In the case of Brazil and Mexico, position vis-à-vis Canadian and Swiss banks are not included.)

The extent to which Eastern European countries have been using international bank finance is also highlighted in the table. With deposits abroad of \$7.0bn. and borrowings of

that they will abide by the OECD code, Akzo would be prepared to do this.

Akzo has had its share of international trade union difficulties in the recent past after being forced to phase out part of its chemical fibres activities due to changes in the world market, leading to serious overcapacity, especially in Holland and Germany. But an initiative from the Dutch industrial workers' union to win support from unions in other European countries for industrial action against Akzo world-wide, if it carried out the restructuring, failed.

Akzo, based in Arnhem, employs some 95,000 people in 45 countries, of which only some 30,000 are employed in Holland itself.

In France, the OECD guidelines have attracted relatively little attention. The main reason for this is that despite the rapid growth of the economy only a handful of French corporations really

qualify as multinational; in there is also a much more cynical attitude towards bribes and related matters.

The disclosure regulations suggested by the OECD also go beyond anything obtaining here. The consolidation of accounts, only recommended by the Bar Bourse Commission though it practice is spreading.

It is, however, most zealous adhered to by companies with foreign quotes or major foreign shareholdings. One of the French-based multinationals, Michelin—which could not reach for comment to-day still discloses very little information and, with other similar concerns, makes no secret of a fact that it would like that state of affairs to continue.

Apert, from Le Mans, is a general tone of the economic gloom, U.K. companies are pleased with the call for national governments to treat multinational companies on the same basis as domestic companies and not to show favour to the latter. Japan is a part of the world where multinational companies have in the past felt themselves to be subject to discrimination, though a deliberate policy of sponsoring domestic companies has also been adopted in some European countries.

France's record in this respect has been good though, measure of protection has been given to the computer industry and efforts are being made to steer North Sea oil supply away from British companies.

The equality of treatment proposal could also "create" problems for countries like Canada and Australia, whose efforts have been made to ensure that locally-based companies can flourish and that the market is not dominated by subsidiaries of foreign-owned concerns.

It is also being pointed out that the disclosure requirements would have the effect of equalising competition between companies which are now relatively open and those that are restrictive. Japanese companies are not required under law to consolidate the results of their subsidiaries, making it difficult very often to total and foreign bonds to \$11.8bn. Foreign bond issues of the U.S. reached \$6.7bn. up from \$3.6bn. in 1974 and \$1.5bn. in 1973.

The report also highlights a trend towards diversification of the international function of the traditional centres of Europe and to other parts of the world. The increased importance of the U.S. foreign bond market noted above, is one aspect of this. Another is the fall in London's share of the European sector of the market by 15 per cent. to 47.5 per cent. of total business contracted in Europe.

The fall was mainly attributable, the BIS says, to the concentration of the new international business of U.S. banks in their branches in the Caribbean area. Whereas the assets of U.S. banks in the Caribbean rose by 44 per cent. in 1975, it notes, the corresponding figure for U.S. branches in London was 14 per cent.

Another point of note was the fall in the Italian bank's share of the European market size of the European segment of the market rose by about \$28bn. to \$206bn. in the beginning of the year.

## Strong fertiliser demand helps Kemira

BY LANCE KEYWORTH

HELSINKI, June 22.

KEMIRA OY increased its turnover by 24 per cent. to by 9.4 per cent. to 1.41m. tons. Fmk.1.58bn. (€202m.) at the time was the strong demand for December 1975 exchange rate fertilisers that saved the situation in 1976. This made the sixth year for the company in what largest industrial company in world, otherwise have been in a state of decline.

Finland, Kemira is state-owned public enterprise. For the fourth year it produces a wide range of products (titanium dioxide and chemical goods, such as sulphuric acid, ferrous sulphate). It was a "catastrophic year" according to the annual report.

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TENNIS BY JOHN BARRETT

# Smooth launch for the top women players

THE THREE top women's seeds played smoothly off the launch pad at Wimbledon yesterday. Miss Evert, the No. 1, swiftly dispatched a fellow American, Miss Rupert Thomas 6-1, 6-1, and seeded Evonne Cawley beat the Dutch girl Elly Sjoestrom 6-2, 7-5, and Miss Wende 6-3, 6-4 in an hour's time.

Miss Evert, who came within points of losing her opening set, needed only two games to get the measure of her opponent, who is ranked 40th among American women.

Then from 1-1 in the first set, Evert won through the next 10 points and it was only at 0-5 in a second set that Mrs. Thomas raised briefly to stem the slide.

## More demanding

For stream of unforced errors, the top seed on her way to Miss Evert's mercilessly smashes dropshots and lobs had a match wrapped in 53 minutes.

Though Mrs. Cawley spent a less on the Centre Court, she was on level pegging with the Dutch No. 3, she did a much more demanding job. After trailing 1-2 in the first set, Mrs. Cawley turned a spell of golden brilliance.

She took the next five games, the set for the loss of a mere 10 points and the first two points of the second set fell to

her at the cost of only two more points.

Though the 24-year-old Dutch girl once held up her hands in mock surrender as a smash flew past her, she mounted a firm counterattack to take a 3-2 lead, driving deep on both wings.

When the Australian then faltered by losing her service, Mrs. Vessie-Appeal needed only to serve for the set.

The task was beyond her. She collected only one point from that game and Mrs. Cawley surged through the next three for the loss of only three points, ending in championship style by serving out to love.

Although she hit some fine flat backhands and kept her opponent on court for 61 minutes, the 17-year-old Miss Tyler was much too inexperienced and predictable for Miss Wade.

"Michelle hit the ball well but she needs to add a little more variety to her shots," said Miss Wade afterwards. "She tends to put her service in the same place every time."

## Fierce heat

Although Miss Tyler rarely ventured beyond the base line, she was on level pegging with the No. 3 seed for five games, then Miss Wade struck for the vital service break and the set was hers in 27 minutes. But it was not without a couple of those moments of Wade's aberration without which no Wimbledon would seem normal, and



Lang socks and a necklace add to Miss Nastase's style at Wimbledon. He beat Z. Franzlovik 6-1, 7-5, 6-3.

which had her lecturing herself in heated fashion.

Miss Wade, though suffering two service losses in the second set, was always in command. Twice at important moments she broke Miss Tyler to love and ran out a worthy winner.

On a day of fierce heat in which many spectators fanned around the outside courts, the men's second, third and fourth seeds all had easy second round victories, although defending champion, Arthur Ashe, was involved in a tough contest against the Australian, Allan Stone. Ashe lost the second set on a tie break after winning the first 7-5.

Ilie Nastase of Romania defeated the Yugoslav Zeljko Franulovic 6-1, 7-5, 6-3, while Bjorn Borg (Sweden) lost only eight games on the Centre Court to America's Marty Riessen.

Jimmy Connors also dropped only eight games in beating Britain's Stephen Warboys 6-3, 6-3, 6-3 and there was a further sad setback for home hopes when John Lloyd, a member of our King's Cup and Davis

Cup squads, lost to Australia's Phil Dent after having had five match points.

Lloyd trailed his first match point at 3-7 in the fourth set and lost another in the tie break which followed. He threw away three more in the ninth and tenth games of the final set before finally bowing out 6-4, 7-5, 3-6, 8-9, 5-7, in a match he should really have won.

## Both events

But Mark Cox ensured that Britain's afternoon in the men's event was not entirely barren by putting out Antonio Munoz of Spain 6-4, 6-3, 6-3.

Finally, that master of brinkmanship, Adriano Panatta, the Italian holder of the Rome and Paris titles who won both events after surviving a stream of match points, was in trouble again yesterday against an overweight Australian schoolteacher, Dale Collings.

Panatta eventually won 9-7, 3-6, 3-6, 6-6, 6-1, but Collings was serving for the match at 5-4 in the fourth set and not within two points of what would have been a famous victory.

## Teachers press for jobs

by Michael Dixon, Education Correspondent

REE unions decided yesterday to put pressure on Mr. Fredley, Education Secretary, to leave the shortage of jobs for re-trained teachers.

The National Union of Teachers, the National Association of Teachers in Higher and Further Education and the National Union of Students have agreed to put extra jobs to be provided, but without noticeable effect. Now they have agreed to combine action, including a visit to the Education Secretary to meet a joint deputation.

"We will seek more jobs for re-trained teachers and an assurance from Mr. Mulley that he is doing everything he can in this direction," said a spokesman for the National Union of Teachers.

## Upturn in steel production

BY ADRIAN HAMILTON

FURTHER EVIDENCE of the pace of the industrial recovery in the West has been provided by the latest figures on world steel production published by the International Iron and Steel Institute in Brussels.

According to the figures for May, there was an increase of 12.9 per cent in the overall production of steel by the institute's members compared to May of last year, with the U.S. and Europe (France, the U.K. and West Germany in particular) leading the way.

Total production in the month was 38.3m. tonnes for all members. U.K. production, up nearly 40 per cent on the year, was just over 2m. tonnes; U.S. production, at 11.1m. tonnes, was 23 per cent up on the same month last year. West German production, at 3.8m. tonnes, was up 20.3 per cent, and French production, at 2.2m. tonnes, rose 30 per cent.

Of the main steel producing countries only Japan, with an output of 3.6m. tonnes last month, and Canada, with a production of 1.1m. tonnes, showed any fall on the year.

What is interesting, and in some ways disturbing, about the recent steel production figures is how closely they follow the pattern experienced in 1973, just before the last boom when demand strained supplies, prices rocketed and the world trade expansion finally plunged two years later into one of the worst recessions since the war.

In this case, May production has now almost reached the peak of the year in the first months of 1973 and is less than 10 per cent below the peaks of 1973.

The picture clearly varies from area to area. The U.S., as could be expected from its economic growth at the moment, is sustaining the fastest recovery.

But the EEC, at some 12m. tonnes of production in May and 56m. tonnes during the first five months of the year, is also showing strong recovery.

Total production by the institute's members, at 124m. tonnes during the first five months, is now only 1 per cent below the same period last year, after drops of over 10 per cent on the year in the first months of 1973.

The institute represents 29 countries, accounting for nearly 68 per cent of world steel production and around 98 per cent of production outside the Communist areas.

The daily four-minute report will be given direct from the London Weather Centre on the medium wave (464 metres) at 6.55 a.m. Monday to Friday and 7.55 a.m. Saturdays and Sundays.

It will begin with a synopsis of the day's weather, in technical language, followed by a regional land area forecast for the whole of the U.K. There will be a forecast for inland waters, with emphasis on areas where sailing and boating are popular and a forecast for places where there are big sporting events. Finally, the outlook for the following night, and further outlook over the next two days.

## Labour party probe call

AN INVESTIGATION is being called for into allegations of undue Left-wing bias in the constituency Labour Party at Ilkeston, Derbyshire.

The application is from Ilkeston Independent Labour Party, formed two weeks ago by 26 past or present members of the constituency party. The independent secretary, Mr. John Becham, said yesterday: "We are most concerned about the undue influence of a small group of Marxists and Trotskyites in the local party."

Mr. Peter Griffiths, the constituency party secretary, said: "This is sour grapes from people who stood independent of Labour and were beaten in the local elections."

The centre was built in 1966 at a cost of £150,000. A Board of Trustees was set up to manage the stadium, which became a registered charity.

## Stamps mark U.K. culture

A SET of four stamps to be issued by the Post Office on August 4 commemorates the 20th anniversary. The other stamps mark Highland Games and Morris dancing. All four have been designed by Marjorie Saynor.

## More M5

A FURTHER three-mile section of the motorway between Sampford Peverell and Callington will open on July 3, the Environment Department said yesterday.

This will leave just a nine-mile stretch of the M5 to be completed near the Devon-Somerset border.



## KLÖCKNER-WERKE AG., Duisburg, Germany (Iron and Steel, Engineering)

### SUCCESS IN MANUFACTURING AND IMPROVED MARKET ORIENTATION OFFSET STEEL RECESSION

The Annual General Meeting of KLÖCKNER-WERKE AG. was held in Duisburg on May 6, 1976, and the following are details of the report presented by the Board of Management.

Like its free world competitors, the German steel industry experienced in the past year the sharpest fall in demand and revenue in recent history. Western crude steel output had to be cut back by 10 per cent, roughly corresponding to the annual production of the U.K., France and Belgium put together. Among the main causes was the almost simultaneous onset of economic recession in the Western industrial countries, accelerated by earlier restrictive measures designed to combat the steep price inflation and foreign trade deficits. The oil price escalation severely affected the balance of payments of developing countries without their own oil resources, and some traditional export markets were thus largely eliminated.

At it had in the boom years become increasingly dependent on exports, the German steel industry was especially hard hit by the slump. Export orders fell by 57 per cent below the level for 1974.

The home market fared no better, showing a steep reduction in steel consumption, a run down of stocks and aggressive marketing by importers. More dramatic even than in volume terms was the effect of the market collapse on revenue: by the summer of 1975 the export prices of some products had fallen to less than half the peak levels of 1974.

In the early part of 1974/75 KLÖCKNER-WERKE was still able to step up production reflecting the healthy order book. Then, however, in response to the steep fall in orders for rolled steel, output had to be cut back from quarter to quarter. Altogether KLÖCKNER-WERKE produced in 1974/75 2,639,000 tons of pig iron, 15.1 per cent less than in the preceding year, 3,288,000 tons of crude steel (-9.6 per cent) and 2,883,000 tons of rolled steel (-16.2 per cent). As German rolled steel production fell on average even more, the company's share in the output of rolled steel finished products rose from 7.7 per cent to 8 per cent.

The year's recession has demonstrated the importance of the measures taken in recent years to make the company more resistant to economic setbacks. The investment programme at Hütte Bremen, now largely complete, enables higher value products to be manufactured which are proving much more competitive on the international steel market.

At DM 3,386m, external Group turnover for 1974/75 including participations showed little change compared with the previous trading year. In the iron and steel producing sector turnover fell by 7 per cent, while that of the manufacturing sector advanced by 14.5 per cent. Home sales of manufactured products rose by 8.3 per cent, and exports by over 21 per cent. Overall, the export share of Group turnover declined to 34 per cent from 38 per cent in the year before, mainly reflecting the lower price levels and reduced sales of rolled steel abroad.

External turnover was about maintained because the new facilities of Hütte Bremen were not fully operative in 1974/75, and from steel sales, in the first half of the year under review were held at the previous year's level, falling only 17 per cent, only in the second half. The manufacturing sector, on the other hand, profited from special factors and its turnover, especially in engineering, offset the decline in rolled steel sales. The manufacturing share of total external turnover consequently climbed to 38.5 per cent.

In November 1974 Hütte Bremen achieved its crude steel output record date with almost 250,000 tons, following the elimination of the teething troubles that had attended the introduction of the new installations. But subsequently the upturn was suddenly reversed by the sharp worldwide fall in rolled steel orders; compared with the first with the fourth quarter of the 1974/75 trading year, crude steel production contracted by 28 per cent. Short time working had to be introduced in almost all parts of the steel plant.

As producer of special and high quality steels Georgsmarienhütte was far less affected by the recession and did not have to curtail production until the trading year's final quarter. With open hearth steel output about unchanged, the mill produced 5.4 per cent more rolled steel than in the previous year owing to the supplies provided by the KV experimental steel works and by outside purchases.

The Hütte mill, however, suffered particularly from the poor business conditions and since February 1975 the operation of both rolling mill strands had to be reduced each month by short time working.

In the sheet and plate sector the fall in orders affected all products of Hütte Bremen; the order intake declined by 25 per cent, and shipments by 20 per cent. Demand for sheet from the car industry did not revive until the end of the trading year and was unable to offset the slump in business with other sheet users. The market for hot rolled wide strip was additionally disrupted by massive Japanese exports.

But for concerted efforts to switch deliveries to higher quality products would have been even more severe. Thus, deliveries of pipeline material were stepped up, this being a product with promising long term sales potential, for which the new wide strip hot rolling mill is particularly suited.

Georgsmarienhütte still managed to deliver 2 per cent more section steel products than the previous year's high figure. Further benefit was derived from the specialisation on high value alloy and special steels, with deliveries of special steel rods up 12 per cent. The Hütte works, however, shipped 36 per cent less section steel; exports of wire rods were particularly hard hit.

The business of the associate Hamburger Stahlwerke developed unfavourably in line with the steel industry in general. Although the decline in production and deliveries was held within reasonable limits, the plant suffered severely from the collapse of export prices. Kroy Engineering, in which KLÖCKNER-WERKE has had an interest since 1973, had a good trading year. At end-September 1975 the company, which is active in the planning, manufacture and sales of Nidrex direct reduction plant as licensee of Nidrex Corporation, Charlotte, N.C., U.S.A., and of turnkey steel works and rolling mills, had an order book worth some DM 400m.

The ore handling subsidiary Wespertor, Bremerhaven, was unable to equal the previous year's performance, reflecting the sharp fall in pig iron output.

### Manufacturing Activities

The Osnabrück works recorded in the year under review a strong turnover expansion, based on higher revenue yielding resulting from further quality improvements and more extensive processing. Weaker business in drop forgings was offset by demand from electrical machinery and industrial plant producers. The engine construction sector continued to provide good business and steel castings benefited from more extensive manufacturing and higher unit weights. The pressure vessel division did not reach the previous year's figures, reflecting the smaller demand from the oil and petro-chemical industries.

Almstedt-Werke took in 13 per cent fewer orders than in

1973/74, but was unaffected by the slump in the rolled steel market. Export demand showed a sharp fall, following a 60 per cent rise in orders from non-ECSC countries in the previous year. Deliveries declined only marginally as a result of the large order volume on hand, including some major export contracts.

Production and deliveries of Vereinigte Drühndindustrie declined in 1975 by 26 per cent, compared with 1974. Turnover fell by 28 per cent, and the export share receded to 26 per cent, from 28 per cent. The concentration of production and thorough rationalisation decided in 1974 are having favourable results, with the full effects expected in the current trading year.

At Klöckner-Ferroalloy, the worldwide revival of coal mining and consequent demand for mining machinery and equipment led to a turnover expansion of 43 per cent. The export share advanced to 31 per cent from 25 per cent. Business in the hydraulic and machinery divisions also grew appreciably. The overall order intake again exceeded turnover.

Both the South African and U.S. associate companies had a very successful business year.

The decline in sales of plant installations and in contract work prevented Klöckner from reaching the previous year's turnover figure, but new areas of application in the machinery, mining and motor industries will produce future benefits. Importing plants were delivered for the first time to Spain, Austria and Rumania. A particular success in plant business are the contracts for the USSR. 450 plant installations at major car and trolley factories in the USSR. Klöckner's Japan made good progress, selling several importing installations and enlarging its contract activities.

### Other Product Sectors

In the quarry product sector, Klöckner Durillit gave up the manufacture of prefabricated building components to concentrate on raw material production and processing, and on the manufacture of general concrete products. Despite the recession in the building industry, capacity employment was maintained at a satisfactory level.

With an output of 780m. kwh the large Rauzel power station produced much less electricity than in the previous year. The station is linked to the general power grid which last year for the first time in a long period failed to record an increase in demand. In the plastic sector, the progress of Klöckner-Pentapack was temporarily slowed down by the fall in demand at the beginning of the trading year and by stiffer regulations relating to vinyl chloride residues. Turnover declined by 20 per cent, but the company enlarged its share of hard PVC foil exports from Germany from 18 per cent to 26 per cent, by gaining new markets in Eastern Europe.

The Klöckner-Dowling had a satisfactory trading year, although there was less demand for standard seals, business expanded in special seals.

In 1974/75 KLÖCKNER-WERKE made additions to fixed assets totalling DM 244m, and depreciations of DM 135m. The extension of the installations at Hütte Bremen to raise crude steel output to 3.5m. tonnes per year was completed. As part of the efforts to raise quality, a hot strip tempering stand was built to improve the surface and leanness of hot coil. It is the first such installation in Europe capable of handling coil strip to the width ordered in one working process. Two Stelmor installations were commissioned at the two-strand wire mill of the Hütte works to increase productivity and widen the quality range. About 20 per cent of the capital expenditure of over DM 60m, decided in the second half of 1974/75, concerns environmental protection.

### Results and Prospects

The drastic slump in orders for rolled steel products resulted in the year under review in the inadequate utilisation of capacity in the steel sector. Together with the sharp decline in price levels, especially in export markets, and further unabated cost increases the financial results of the steel sector were markedly worse than in the preceding year.

The manufacturing sector, on the other hand, again earned substantially higher profits, due to better capacity utilisation as well as improved revenue yields. The profits from the manufacturing sector, however, were not sufficient to offset the losses incurred by the steel sector. In this situation a dividend could have been distributed only from non-trading sources. In view of the severity and duration of the 1975 steel crisis, however, the Supervisory and Management Boards decided, in the interest of the Group's internal financial health, not to distribute a dividend not generated by current trading. Accordingly, the Board's proposal to carry forward the balance sheet profit of DM 3,057.

Over the recent months the demand for rolled steel has once more shown an upturn, but given the depth of the earlier recession it will be some time before earnings and capacity utilisation again reach satisfactory levels, assuming that the revival persists. In the first five months of the current business year, rolled steel orders rose by 23 per cent compared with the second half of 1974/75, but were still 15 per cent lower than in 1973/74. The overall order book rose by 40 per cent in the first five months of 1975/76, but was still about a quarter below the level of September 1974.

Although in the first months of the current year not all the engineering activities were able to maintain their high utilisation, the manufacturing sector again made up for the still unsatisfactory situation in steel making. In the short term the Company expects only a gradual recovery of the rolled steel market and satisfactory capacity utilisation not before the end of the business year. It is confident, however, that last year's market collapse was no more than a temporary interruption of the long-term growth trend.

With its widest production facilities KLÖCKNER-WERKE is able to concentrate on those products which have gained in importance in the structural changes in the world economy.

The report, the accounts and the proposals put forward by the Board were adopted.

Supervisory Board (Aufsichtsrat): Dr. Franz Meyers, Mönchengladbach, Chairman; Hans Mayr, Dreieichenbach, Dr. Frankfort, 1st Deputy Chairman; Dr. Alfred Herrhausen, Solingen-Ohligh, 2nd Deputy Chairman, and 18 members.

Board of Management (Vorstand): Dr. Herbert Glenow, Hölse, Chairman; Prof. Dr.-Ing. Ludwig von Bogdandy, Oberhausen-Sterkrade; Günter Feiler, Hagen; Dr. Joachim Harms, Mülheim (Ruhr)-Speldorf; Dr.-Ing. Josef Mennen, Meerbusch; Karl Sinkovic, Essen-Bredene.

# Harrisons & Crosfield

In his Statement circulated with the Accounts for the year ended 31st December 1975, Mr. J. F. E. Gilchrist, O.B.E., the Chairman reports:—

Successful Rights Issue of 1,587,332 Ordinary Shares bringing in £10.4m (net)

Profits attributable to Ordinary Shareholders 11% above forecast in October 1975 at time of Rights Issue

Record dividend

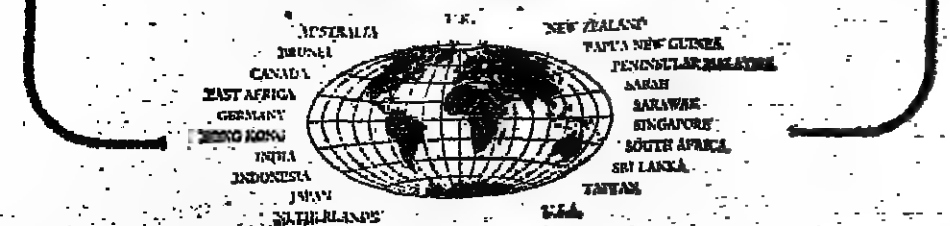
Scrip Issue to Ordinary Shareholders on 1 for 1 basis

Backed by its strong financial position the Group continues to progress. Current trading is satisfactory.

SUMMARY OF RESULTS YEAR ENDED 31ST DECEMBER 1975	
Turnover	£390,000,000
Group profit before interest and tax	£14,955,560
Profit after tax attributable to Ordinary Shareholders	£4,983,339
Earnings per share	73.9p
Ordinary dividend per share	29p
Profits retained in the business	£2,840,441

Copies of the Report and Accounts are obtainable on application to Transfer Department, Harrisons & Crosfield, Ltd., 1-4 Great Tower Street, London EC3R 5AB

BUSINESS OF THE GROUP  
Secretaries and Agents of Plantation Companies; General Merchants, Importers and Exporters; Shipping and Insurance; Production of Logs and distribution of Timber; Manufacturers and Processors of Industrial Raw Materials, Chemicals and Rubber and Engineering Products; Investment and Finance



BALANCE SHEET AS AT SEPTEMBER 30, 1975	
LIABILITIES	ASSETS
I. Share Capital	DM 34,000,000
II. General Reserve Fund	29,367,240
III. Voluntary Reserve	176,000,000
IV. Appropriation to Reserves under section 20 of the Income Tax Law, Sect. 10, Coal Ind. Act	25,770,000
V. Power Reserve	1,000,000
VI. Provisions	15,000,000
VII. Loans with terms of 4 years or more	1,192,248,171
VIII. Other creditors	176,921,051
IX. Bills of exchange	24,477,514
X. Banks	34,192,301
XI. Payments received	22,822,232
XII. Associated Companies	97,182,254
XIII. Miscellaneous	89,842,213
XIV. Profit	221,574,025
	336,867
	3,677,630,523
I. Fixed Assets	DM 1,192,248,171
II. Current Assets	1,485,382,352
III. Transitory items	1,485,382,352

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING SEPTEMBER 30, 1975	
EXPENDITURE	RECEIPTS
1. Labour Costs	DM 1,192,248,171
2. Depreciation and Value Adjustments	DM 1,192,248,171
3. Financial Charges	DM 1,192,248,171
4. Losses on Disposal of Fixed Assets	DM 1,192,248,171
5. Interest and similar charges	DM 1,192,248,171
6. Capital Levy (Expropriation of Surplus)	DM 1,192,248,171
7. Losses transferred to Klöckner-Werke AG	DM 1,192,248,171
8. Allocation to Reserves	DM 1,192,248,171
9. Miscellaneous	DM 1,192,248,171
NET PROFIT	DM 1,192,248,171
	DM 1,192,248,171







## Tin prices surge to new peaks

**By John Edwards,**  
**Commodities Editor**

# Long road back from disaster

BY DAVID BENWICK

COPENHAGEN June 22

**Commodities Staff writes:** Indicative price, which was \$424 a ton in February, had little effect on trading levels served as an expression of producers and consumers under a sensible level in circumstances. Producers believed to have suggested a price of \$475 to \$550 originally. Much the highly volatile prices range, the mid-price is slightly higher than market prices. Actual prices have risen by some \$75-85 from the level ruling when the previous indicative price was set. This has been due to a lower production—down 150,000 tons—resulting from drought in East Africa and Brazil, political troubles in Angola and Mozambique and overcutting of sisal crops in earlier years. Demand for sisal has increased accordingly for about 75 per cent of sisal use, has been fair, but trade sources say this has been because of artificially low prices.

at DEER, SO. I. 90. mid Sept., 1918. three which was believed to have been a

1947 (est.)	132.52	+3.3	127.05	
1948 (est.)	129.50		22.55	
1949 (est.)	124.25		23.02	
1950 (est.)	127.106		126.91	
1951 (est.)	126.61	-2.0	127.75	
1952 (est.)	126.50		127.75	
1953 (est.)	127.75		129.51	
1954 (est.)	129.41	-2.3	129.11	
1955 (est.)	129.41		129.41	
1956 (est.)	129.41		129.41	
1957 (est.)	129.41		129.41	
1958 (est.)	129.41		129.41	
1959 (est.)	129.41		129.41	
1960 (est.)	129.41		129.41	
1961 (est.)	129.41		129.41	
1962 (est.)	129.41		129.41	
1963 (est.)	129.41		129.41	
1964 (est.)	129.41		129.41	
1965 (est.)	129.41		129.41	
1966 (est.)	129.41		129.41	
1967 (est.)	129.41		129.41	
1968 (est.)	129.41		129.41	
1969 (est.)	129.41		129.41	
1970 (est.)	129.41		129.41	
1971 (est.)	129.41		129.41	
1972 (est.)	129.41		129.41	
1973 (est.)	129.41		129.41	
1974 (est.)	129.41		129.41	
1975 (est.)	129.41		129.41	
1976 (est.)	129.41		129.41	
1977 (est.)	129.41		129.41	
1978 (est.)	129.41		129.41	
1979 (est.)	129.41		129.41	
1980 (est.)	129.41		129.41	
1981 (est.)	129.41		129.41	
1982 (est.)	129.41		129.41	
1983 (est.)	129.41		129.41	
1984 (est.)	129.41		129.41	
1985 (est.)	129.41		129.41	
1986 (est.)	129.41		129.41	
1987 (est.)	129.41		129.41	
1988 (est.)	129.41		129.41	
1989 (est.)	129.41		129.41	
1990 (est.)	129.41		129.41	
1991 (est.)	129.41		129.41	
1992 (est.)	129.41		129.41	
1993 (est.)	129.41		129.41	
1994 (est.)	129.41		129.41	
1995 (est.)	129.41		129.41	
1996 (est.)	129.41		129.41	
1997 (est.)	129.41		129.41	
1998 (est.)	129.41		129.41	
1999 (est.)	129.41		129.41	
2000 (est.)	129.41		129.41	
2001 (est.)	129.41		129.41	
2002 (est.)	129.41		129.41	
2003 (est.)	129.41		129.41	
2004 (est.)	129.41		129.41	
2005 (est.)	129.41		129.41	
2006 (est.)	129.41		129.41	
2007 (est.)	129.41		129.41	
2008 (est.)	129.41		129.41	
2009 (est.)	129.41		129.41	
2010 (est.)	129.41		129.41	
2011 (est.)	129.41		129.41	
2012 (est.)	129.41		129.41	
2013 (est.)	129.41		129.41	
2014 (est.)	129.41		129.41	
2015 (est.)	129.41		129.41	
2016 (est.)	129.41		129.41	
2017 (est.)	129.41		129.41	
2018 (est.)	129.41		129.41	
2019 (est.)	129.41		129.41	
2020 (est.)	129.41		129.41	
2021 (est.)	129.41		129.41	
2022 (est.)	129.41			

# Conti Research takes a Fundamental and Technical look at the Factors that could affect Future Returns

.568.91549 30.958 51.268 54  
 M1.D09357 30.958 -50.7.03  
 (Average 1924-56=100)

### MOODY'S

	June 22	June 21	Month Yr.	Wm. %
Domestic	.069	.064	0	827.4
December 31, 1931=100				

Wheat—SCWRs 12.5  
 contract SL Lawrence 4714 14713).

All cents per pound car-warshouse unless otherwise stated. "Cents per 60-lb bushel car-warshouse." 6.25 per Troy ounce. Insurance lots. Chicago house 8¢ per 100 lbs.—Dept. of Agr. prices previous day. Prime steam fair bulk.

Cents per Troy ounce car-warshouse for New York "B" contract in short tons for the last half of short tons delivered at Toledo.

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**PHONE BUSINESS SERVICE**  
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01-734 9571. Eves. 01-734 535

levels remained very steady in early positions. Gary

ere booked from the U.S. Gulf to the  
Netherlands at \$6.30 E.O. for July and  
from the U.S. Gulf to Venezuela at \$10.75











**DRIVERS JONAS**  
Chartered Surveyors  
London - Aberdeen - Milan

# FT SHARE INFORMATION SERVICE

## BRITISH FUNDS

High	Low	Stock	Price	% Chg	Yield
100.00	99.50	Five to Fifteen Years	100.00	0.50	11.07
99.50	99.00	Treasury 1980-81	99.50	0.50	11.07
99.00	98.50	Treasury 1981-82	99.00	0.50	11.07
98.50	98.00	Treasury 1982-83	98.50	0.50	11.07
98.00	97.50	Treasury 1983-84	98.00	0.50	11.07
97.50	97.00	Treasury 1984-85	97.50	0.50	11.07
97.00	96.50	Treasury 1985-86	97.00	0.50	11.07
96.50	96.00	Treasury 1986-87	96.50	0.50	11.07
96.00	95.50	Treasury 1987-88	96.00	0.50	11.07
95.50	95.00	Treasury 1988-89	95.50	0.50	11.07
95.00	94.50	Treasury 1989-90	95.00	0.50	11.07
94.50	94.00	Treasury 1990-91	94.50	0.50	11.07
94.00	93.50	Treasury 1991-92	94.00	0.50	11.07
93.50	93.00	Treasury 1992-93	93.50	0.50	11.07
93.00	92.50	Treasury 1993-94	93.00	0.50	11.07
92.50	92.00	Treasury 1994-95	92.50	0.50	11.07
92.00	91.50	Treasury 1995-96	92.00	0.50	11.07
91.50	91.00	Treasury 1996-97	91.50	0.50	11.07
91.00	90.50	Treasury 1997-98	91.00	0.50	11.07
90.50	90.00	Treasury 1998-99	90.50	0.50	11.07
90.00	89.50	Treasury 1999-00	90.00	0.50	11.07
89.50	89.00	Treasury 2000-01	89.50	0.50	11.07
89.00	88.50	Treasury 2001-02	89.00	0.50	11.07
88.50	88.00	Treasury 2002-03	88.50	0.50	11.07
88.00	87.50	Treasury 2003-04	88.00	0.50	11.07
87.50	87.00	Treasury 2004-05	87.50	0.50	11.07
87.00	86.50	Treasury 2005-06	87.00	0.50	11.07
86.50	86.00	Treasury 2006-07	86.50	0.50	11.07
86.00	85.50	Treasury 2007-08	86.00	0.50	11.07
85.50	85.00	Treasury 2008-09	85.50	0.50	11.07
85.00	84.50	Treasury 2009-10	85.00	0.50	11.07
84.50	84.00	Treasury 2010-11	84.50	0.50	11.07
84.00	83.50	Treasury 2011-12	84.00	0.50	11.07
83.50	83.00	Treasury 2012-13	83.50	0.50	11.07
83.00	82.50	Treasury 2013-14	83.00	0.50	11.07
82.50	82.00	Treasury 2014-15	82.50	0.50	11.07
82.00	81.50	Treasury 2015-16	82.00	0.50	11.07
81.50	81.00	Treasury 2016-17	81.50	0.50	11.07
81.00	80.50	Treasury 2017-18	81.00	0.50	11.07
80.50	80.00	Treasury 2018-19	80.50	0.50	11.07
80.00	79.50	Treasury 2019-20	80.00	0.50	11.07
79.50	79.00	Treasury 2020-21	79.50	0.50	11.07
79.00	78.50	Treasury 2021-22	79.00	0.50	11.07
78.50	78.00	Treasury 2022-23	78.50	0.50	11.07
78.00	77.50	Treasury 2023-24	78.00	0.50	11.07
77.50	77.00	Treasury 2024-25	77.50	0.50	11.07
77.00	76.50	Treasury 2025-26	77.00	0.50	11.07
76.50	76.00	Treasury 2026-27	76.50	0.50	11.07
76.00	75.50	Treasury 2027-28	76.00	0.50	11.07
75.50	75.00	Treasury 2028-29	75.50	0.50	11.07
75.00	74.50	Treasury 2029-30	75.00	0.50	11.07
74.50	74.00	Treasury 2030-31	74.50	0.50	11.07
74.00	73.50	Treasury 2031-32	74.00	0.50	11.07
73.50	73.00	Treasury 2032-33	73.50	0.50	11.07
73.00	72.50	Treasury 2033-34	73.00	0.50	11.07
72.50	72.00	Treasury 2034-35	72.50	0.50	11.07
72.00	71.50	Treasury 2035-36	72.00	0.50	11.07
71.50	71.00	Treasury 2036-37	71.50	0.50	11.07
71.00	70.50	Treasury 2037-38	71.00	0.50	11.07
70.50	70.00	Treasury 2038-39	70.50	0.50	11.07
70.00	69.50	Treasury 2039-40	70.00	0.50	11.07
69.50	69.00	Treasury 2040-41	69.50	0.50	11.07
69.00	68.50	Treasury 2041-42	69.00	0.50	11.07
68.50	68.00	Treasury 2042-43	68.50	0.50	11.07
68.00	67.50	Treasury 2043-44	68.00	0.50	11.07
67.50	67.00	Treasury 2044-45	67.50	0.50	11.07
67.00	66.50	Treasury 2045-46	67.00	0.50	11.07
66.50	66.00	Treasury 2046-47	66.50	0.50	11.07
66.00	65.50	Treasury 2047-48	66.00	0.50	11.07
65.50	65.00	Treasury 2048-49	65.50	0.50	11.07
65.00	64.50	Treasury 2049-50	65.00	0.50	11.07
64.50	64.00	Treasury 2050-51	64.50	0.50	11.07
64.00	63.50	Treasury 2051-52	64.00	0.50	11.07
63.50	63.00	Treasury 2052-53	63.50	0.50	11.07
63.00	62.50	Treasury 2053-54	63.00	0.50	11.07
62.50	62.00	Treasury 2054-55	62.50	0.50	11.07
62.00	61.50	Treasury 2055-56	62.00	0.50	11.07
61.50	61.00	Treasury 2056-57	61.50	0.50	11.07
61.00	60.50	Treasury 2057-58	61.00	0.50	11.07
60.50	60.00	Treasury 2058-59	60.50	0.50	11.07
60.00	59.50	Treasury 2059-60	60.00	0.50	11.07
59.50	59.00	Treasury 2060-61	59.50	0.50	11.07
59.00	58.50	Treasury 2061-62	59.00	0.50	11.07
58.50	58.00	Treasury 2062-63	58.50	0.50	11.07
58.00	57.50	Treasury 2063-64	58.00	0.50	11.07
57.50	57.00	Treasury 2064-65	57.50	0.50	11.07
57.00	56.50	Treasury 2065-66	57.00	0.50	11.07
56.50	56.00	Treasury 2066-67	56.50	0.50	11.07
56.00	55.50	Treasury 2067-68	56.00	0.50	11.07
55.50	55.00	Treasury 2068-69	55.50	0.50	11.07
55.00	54.50	Treasury 2069-70	55.00	0.50	11.07
54.50	54.00	Treasury 2070-71	54.50	0.50	11.07
54.00	53.50	Treasury 2071-72	54.00	0.50	11.07
53.50	53.00	Treasury 2072-73	53.50	0.50	11.07
53.00	52.50	Treasury 2073-74	53.00	0.50	11.07
52.50	52.00	Treasury 2074-75	52.50	0.50	11.07
52.00	51.50	Treasury 2075-76	52.00	0.50	11.07
51.50	51.00	Treasury 2076-77	51.50	0.50	11.07
51.00	50.50	Treasury 2077-78	51.00	0.50	11.07
50.50	50.00	Treasury 2078-79	50.50	0.50	11.07
50.00	49.50	Treasury 2079-80	50.00	0.50	11.07
49.50	49.00	Treasury 2080-81	49.50	0.50	11.07
49.00	48.50	Treasury 2081-82	49.00	0.50	11.07
48.50	48.00	Treasury 2082-83	48.50	0.50	11.07
48.00	47.50	Treasury 2083-84	48.00	0.50	11.07
47.50	47.00	Treasury 2084-85	47.50	0.50	11.07
47.00	46.50	Treasury 2085-86	47.00	0.50	11.07
46.50	46.00	Treasury 2086-87	46.50	0.50	11.07
46.00	45.50	Treasury 2087-88	46.00	0.50	11.07
45.50	45.00	Treasury 2088-89	45.50	0.50	11.07
45.00	44.50	Treasury 2089-90	45.00	0.50	11.07
44.50	44.00	Treasury 2090-91	44.50	0.50	11.07
44.00	43.50	Treasury 2091-92	44.00	0.50	11.07
43.50	43.00	Treasury 2092-93	43.50	0.50	11.07
43.00	42.50	Treasury 2093-94	43.00	0.50	11.07
42.50	42.00	Treasury 2094-95	42.50	0.50	11.07
42.00	41.50	Treasury 2095-96	42.00	0.50	11.07
41.50	41.00	Treasury 2096-97	41.50	0.50	11.07
41.00	40.50	Treasury 2097-98	41.00	0.50	11.07
40.50	40.00	Treasury 2098-99	40.50	0.50	11.07
40.00	39.50	Treasury 2099-00	40.00	0.50	11.07
39.50	39.00	Treasury 2100-01	39.50	0.50	11.07
39.00	38.50	Treasury 2101-02	39.00	0.50	11.07
38.50	38.00	Treasury 2102-03	38.50	0.50	11.07
38.00	37.50	Treasury 2103-04	38.00	0.50	11.07
37.50	37.00	Treasury 2104-05	37.50	0.50	11.07
37.00	36.50	Treasury 2105-06	37.00	0.50	11.07
36.50	36.00	Treasury 2106-07	36.50	0.50	11.07
36.00	35.50	Treasury 2107-08	36.00	0.50	11.07
35.50	35.00	Treasury 2108-09	35.50	0.50	11.07
35.00	34.50	Treasury 2109-10	35.00	0.50	11.07
34.50	34.00	Treasury 2110-11	34.50	0.50	11.07
34.00	33.50	Treasury 2111-12	34.00	0.50	11.07
33.50	33.00	Treasury 2112-13	33.50	0.50	11.07
33.00	32.50	Treasury 2113-14	33.00	0.50	11.07
32.50	32.00	Treasury 2114-15	32.50	0.50	11.07
32.00	31.50	Treasury 2115-16	32.00	0.50	11.07
31.50	31.00	Treasury 2116-17	31.50	0.50	11.07
31.00	30.50	Treasury 2117-18	31.00	0.50	11.07
30.50	30.00	Treasury 2118-19	30.50	0.50	11.07
30.00	29.50	Treasury 2119-20	30.00	0.50	11.07
29.50	29.00	Treasury 2120-21	29.50	0.50	11.07
29.00	28.50	Treasury 2121-22	29.00	0.50	11.07
28.50	28.00	Treasury 2122-23	28.50	0.50	11.07
28.00	27.50	Treasury 2123-24	28.00	0.50	11.07
27.50	27.00	Treasury 2124-25	27.50	0.50	11.07
27.00	26.50	Treasury 2125-26	27.00	0.50	11.07
26.50	26.00	Treasury 2126-27	26.50	0.50	11.07
26.00	25.50	Treasury 2127-28	26.00	0.50	11.07
25.50	25.00	Treasury 2128-29	25.50	0.50	11.07
25.00	24.50	Treasury 2129-30	25.00	0.50	11.07
24.50	24.00	Treasury 2130-31	24.50	0.50	11.07
24.00	23.50	Treasury 2131-32	24.00	0.50	11.07
23.50	23.00	Treasury 2132-33	23.50	0.50	11.07
23.00	22.50	Treasury 2133-34	23.00	0.50	11.07
22.50	22.00	Treasury 2134-35	22.50	0.50	11.07
22.00	21.50	Treasury 2135-36	22.00	0.50	11.07
21.50	21.00	Treasury 2136-37	21.50	0.50	11.07
21.00	20.50	Treasury 2137-38	21.00	0.50	11.07
20.50	20.00	Treasury 2138-39	20.50	0.50	11.07
20.00	19.50	Treasury 2139-40	20.00	0.50	11.07
19.50	19.00	Treasury 2140-41	19.50	0.50	11.07
19.00	18.50	Treasury 2141-42	19.00	0.50	11.07
18.50	18.00	Treasury 2142-43	18.50	0.50	11.07
18.00	17.50	Treasury 2143-44	18.00	0.50	11.07
17.50	17.00	Treasury 2144-45	17.50	0.50	11.07
17.00	16.50	Treasury 2145-46	17.00	0.50	11.07
16.50	16.00	Treasury 2146-47	16.50	0.50	11.07
16.00	15.50	Treasury 2147-48	16.00	0.50	11.07
15.50	15.00	Treasury 2148-49	15.50	0.50	11.07
15.00	14.50	Treasury 2149-50	15.00	0.50	11.07
14.50	14.00	Treasury 2150-51	14.50	0.50	11.07
14.00	13.50	Treasury 2151-52	14.00	0	



**MINES—Continued**

FAR WEST RAND		
Stock	Price	- or -

[illegible]

Impair RI	250	-5
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C.F.S.			
175	Free Steer Day	100	Q14c 1.4
112	F. Steer Day	113.4	Q150c 1.3
57	F. Steer Day	113.4	Q150c 1.3
57	F. Steer Day	113.4	Q150c 1.3
70	Leanne RI	390	Q150c 1.3
950	Steer, Frank RI	113.4	Q150c 1.3
700	Free Steer Day	77.5	Q150c 1.3
112	Steer, Frank RI	113.4	Q150c 1.3
86	Unid.	120	Q150c 1.3
220	William Steer	250	Q150c 1.3

FRANCE

315	Am. Nat. Coal. Co.	470	+20	10020	28	4.8
325	Am. Amur, Inc.	325	-5	9350	19	6.9
517	Am. Nat. Gold Rl.	121	-1	9200	13	2.8
550	Am. Nat. Gold Rl.	112	-1	9105	6	5.3
718	Chambers, Inc.	151	1	870	6	6.7
746	Cons. Gold Fields	175	-6	8757	43	6.6
755	East Rand Cons. 100	16	0	8700	8	8.6
108	Gold Fields, R.L.	270	-10	8400	10	8.6
125	Gold Fields, R.L.	270	-10	8236	21	7.3
1246	Gold Fields, R.L.	270	-10	8225	13	7.5
1212	Gold Fields, R.L.	270	-10	8165	2	5.6

GeWinn ...	300	.....
pro ERD: 4...	215	-3
W 15...	110	+1

770	Plant N1 Fl.5	112		0C-00	10.5	1.1
430	Band Selection 30c	540	+10	0075C	15	5
149	Selection Trust	460		15 2	0	5.2
135	Selection 10c	202H	-2	030c	0	8.8
	Selection 2:2p	57		2340	1.6	
35	Altrifurab	17		117H	20	1.9
705	35 Altrifurab 3 RI	145		0000	1.9	1.9
170	RI, Inset RI	200	+10	030c	10	10.7
245	Quia Form 6 25c	300	-12	002c	1.4	8.3
45	Vogels 2x	66		0012c	1.2	5.7

**DIAMOND AND PLATINUM**  
 10-Ag. In. 50c. | 122 1/2 | . . .

68	Brish: 240 PT 100	1040	+2	Q6.5c	0	3.7
198	De Boers 14.5	227	.....	Q23c	1.2	7.3
850	De 40pe PT 75	900	.....	Q200c	0	13.2
69	Ludenburg 12pc	100	.....	7Q2.5c	1.5	1.8
108	Pol. Plat 2pc	162	+2	7Q29c	1.0	1.8
90	Tuon Plat. 10c	154	.....	7Q48c	1.0	1.9
82	Wauwral 5c	158	+2	7Q32c	1.0	1.9

**CENTRAL AFRICAN**

85	Falea Rn. Soc.	105	Q135c	2.9	—
11	Rainey Corp. 16p	11	Q56	6.0	7.8
136	Room Cons. N4	180	Q16.0	4.7	7.6
140	Tanganyika Soc.	142d	Q10.0	—	7.0
65	Du Pref. Soc.	68	Q9	18.0	11.1
25	Wardens of Rn 1.	28	Q106c	1.3	10.0
24	Zam. Cpr. Soc. 24	29	Q184c	3.2	7.1

**AUSTRALIAN**

152	Al. M. 300	187	-	-	-	-
153	Fouquieria 50c	145	-	-	45	-
145	Gr. South 50c	188	-2	-	-	-
30	C. M. P. 50c	40	-	-	-	-
58	Hampin Area 3p	70	-2	1.18	42	26
38	Metals Ex. 50c	86	+7	-	-	-
13	Metromax 20c	15	-	-	-	-
200	M. M. Hides 50c	272	-3	50.10c	1.8	-
70	Mount Laurel 50c	90	-	205c	2.4	-

metallic	2 1/2	.....
h R Hill 51	180	+2
Exhaust	8	

65	Oak Ridge S&I	98	+1	108c	13	5.3
14	Pacific Corner S&I	32				
725	Panama 1 S&I	£12 1/2	-1			
9	Panama 3 1/2 S&I	14	+1			
490	Puerto Vall. end 50c	565	-5	Q15c	8	1.7
140	Puerto Vall 20c	285				
9	Valparaiso 50c	10				
5	Westma 10c	7				

n. Mining 50c	192	-1	
and Creek 20c	45		

TINS					
28	Amal Victoria	40	-1	5.62	1.42 1/4
160	Ayer Hitam	252	-8	113.0	10.9
17	Berast Tin	27	-1	1.75	10.4
315	Berjuntai SMT	390	-10	654.5	7.8
13	Ex Land: 10p	15	...	15	3.8 15.4
155	Geevor	225	-5	112	2.3 1/2

Exp. Costs	10	.....
Profits	225	.....
Income	78	.....

56	Johore 10p	67	7.15	+	16.4
31	Janm 12p	72	—	—	—
32	Kamunting 15p	36	-1	\$7.0	1.2
135	Killinghall	245	—	Q50.0	30.4
137	London Tin 10p	177	+2	\$7.47	6.5
168	Malay Dredging	300	10.7	2.0	8.2
20	AlFahsa	27 <sup>1</sup>	—	Q2h	+
40	Pengkalan 10p	45	—	\$7.0	1.5
108	Pengas 10p	113	—	—	—

121	121	121
36	36	36
76	76	76
121	121	121

105	Sinh. Mangan	188	-2	10.7	0.9	9.8
31	Sungei Besi 207	42	...	...	...	...
29	Sungei Way SMI	30	-2	2010	...	5.3
40	Tanjung 15p	47	...	4.0	0.9	15.2
40	Tongkah Htr. SMI	43	...	50291	0.6	+
58	Tramoh	106	-2	4.25	2.0	6.2

max RST PC	53	...
max RST SO	265	+5

MISCELLANEOUS						
8	Borneo Mines 17 1/2	9	.....	0.1	φ	1.8
23	Charterhall 50	27	.....	.....	.....	.....
580	Cons. March 10c	878	+20	1080c	1.8	5.6
28	Laurana	40	-1	.....	.....	.....
245	Norvigate CSI	360	-10	Q25c	0.3	4.1
178	R.T.Z.	218	+4	5.42	2.1	3.8

Lines 31-	45	-7
Explan. 51	125	-13
Moneta's Reg.	85rd	.....

**NOTES**

are based on latest annual reports. P/Es, are updated on half-yearly figures. All P/Es are calculated at 33 per cent. P/Es are calculated

distribution; bracketed figures indicate 10 percent or more, as if calculated on "nil" distribution. Covers are based on maximum distribution. Yields, assuming maintenance of dividends on current rate of A.C.T. are based on middle prices, gross and allow for value of declared distributions and rights. Rates with denominations other than sterling are quoted as % of the investment dollar premium.

It is noted that there have been signs of a  
recovery in the oil market.

amount of Stamp Duty  
 amount where increased or resumed  
 amount where reduced, passed or deferred  
 free to non-residents  
 figures or report awaited  
 limited security  
 price at time of suspension  
 increased dividend after pending scrip and or rights issues  
 over relates to previous dividend or forecast  
 price of Stamp Duty

- reorganization in progress.
- c. reduced fixed and/or red

over allows for conversion of shares not now rendering for dividends or paying only for restricted dividend.  
over does not allow for shares which may also seek for dividend at a future date. No P/E ratio usually provided.  
including a final dividend declaration.  
regional price.  
per share figures based on prospectus or other official

dividend rate paid or payable on dividend on full capital.  
yield. 6 Assumed dividend

1. Cumulated dividend and yield after scrip issue. 2. Payment of capital resources. 3. Kenya in interim higher than non-total. 4. Ruhsia issue pending. 5. Earnings based on minority rights. 6. Australian currency. 7. Dividend and dividend a special payment. 8. Indicated dividend: voters to previous dividend. 9. P/E ratio based on latest annual. 10. A forecast dividend cover based on previous year's earnings. 11. Tax free up to 30p in the £. 12. Yield allows for minority clause. 13. Dividend and yield based on merger terms.

and yield. B Preference dividend  
C Liquidating dividend. E Liquidating price. G Dividend

vidend yield and pending scrip and/or rights issue. M Figures are based on prospectus or other official estimates for 1978. N Figures based on prospectus or other official estimates for 1978. O Dividend and yield based on prospectus or other official estimates for 1978. P Gross. Q Figures estimated. R No significant Corporation Tax payable. S Dividend total to date.

hospital distribution.

service is available to every Company dealt in on  
Exchanges throughout the United Kingdom for a  
fee of £25 per annum for each security

[illegible]

This service is available to every Company dealt in on  
Stock Exchanges throughout the United Kingdom for a  
fee of £25 per annum for each security

[illegible]



